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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2011
Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization: WESTFIELDS HOSPITAL INC
 Doing Business As: _____
 Number and street (or P O box if mail is not delivered to street address) Room/suite: 8170 33RD AVENUE SOUTH PO BOX 1309
 City or town, state or country, and ZIP + 4: MINNEAPOLIS, MN 554401309

D Employer identification number: 39-0808442
E Telephone number: (952) 883-6584
G Gross receipts \$ 37,836,931

F Name and address of principal officer: STEVEN M MASSEY, 8170 33RD AVENUE SOUTH PO BOX 1309, MINNEAPOLIS, MN 554401309

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶ _____

I Tax-exempt status: 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: ▶ WWW.HEALTHPARTNERS.COM

K Form of organization: Corporation Trust Association Other ▶ _____
L Year of formation: 1950 **M** State of legal domicile: WI

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O - PRIMARY EXEMPT PURPOSE AND ACHIEVEMENTS		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	326
	6 Total number of volunteers (estimate if necessary)	6	54
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	17,909	256,016
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	29,271,261	34,436,464
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	862,949	2,310,716
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	521,269	632,656
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	30,673,388	37,635,852
	14 Benefits paid to or for members (Part IX, column (A), line 4)	5,404	680,934
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	15,827,432	15,971,412
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	0	0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	13,717,250	13,925,948
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	29,550,086	30,578,294
19 Revenue less expenses Subtract line 18 from line 12	1,123,302	7,057,558	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	32,058,071	37,140,106
	22 Net assets or fund balances Subtract line 21 from line 20	22,466,740	20,598,428
		9,591,331	16,541,678

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: 2012-11-14
 Type or print name and title: DAVE A DZIUK TREASURER

Paid Preparer's Use Only

Preparer's signature: JASON DIVINE Date: _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP, 4200 WELLS FARGO CTR 90 S7TH STREET, MINNEAPOLIS, MN 55402
 Preparer's taxpayer identification number (see instructions): P01076050
 EIN: 13-5665207
 Phone no: (612) 305-5000

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission
WESTFIELDS HOSPITAL, IN PARTNERSHIP WITH OTHERS, WILL IMPROVE THE HEALTH OF OUR PATIENTS AND COMMUNITY BY PROVIDING HIGH QUALITY HEALTH CARE WHICH MEETS THE NEEDS OF ALL PEOPLE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 26,313,649 including grants of \$ 680,934) (Revenue \$ 34,086,300)
SEE SCHEDULE O - PRIMARY EXEMPT PURPOSE AND ACHIEVEMENTS

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 26,313,649

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> <input checked="" type="checkbox"/>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> <input checked="" type="checkbox"/>	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> <input checked="" type="checkbox"/>		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> <input checked="" type="checkbox"/>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> <input checked="" type="checkbox"/>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> <input checked="" type="checkbox"/>		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> <input checked="" type="checkbox"/>		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> <input checked="" type="checkbox"/>		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> <input checked="" type="checkbox"/>		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements. <input checked="" type="checkbox"/>	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, sub-column (e.g., 1a, 1b), and Yes/No columns. Rows include questions about Form 1096, W-2G forms, employee reporting, foreign accounts, and charitable trusts.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 JASON J LUHRS CHIEF FINANCIAL OFFICER
 535 HOSPITAL ROAD
 NEW RICHMOND, WI 54017
 (715) 243-2852

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOSEPH BEUNING PA DIRECTOR	40	X						0	0	0
(2) STEVE HARROLD DIRECTOR	40	X						0	0	0
(3) GARY KNUTSON DIRECTOR	50	X						0	0	0
(4) HEATHER MCABEE DIRECTOR	10	X						0	0	0
(5) TOM MEWS DIRECTOR	10	X						0	0	0
(6) ANNE MIKE DIRECTOR	40	X						0	0	0
(7) STUART A NELSON DIRECTOR	50	X						0	0	0
(8) JEFF REDMON CHAIRMAN & DIRECTOR	2 00	X						0	0	0
(9) AGNES RING VICE CHAIR & DIRECTOR	80	X						0	0	0
(10) HENDRIK VAN DYK DIRECTOR	30	X						0	0	0
(11) DAVE A DZIUK DIRECTOR & TREASURER	55 00	X						0	496,226	142,985
(12) GRETCHEN M LEITERMAN DIRECTOR	55 00	X						0	258,677	61,705
(13) JEAN NEEDHAM EX-OFFICIO DIRECTOR	48 00	X						0	207,594	22,969
(14) BROCK D NELSON DIRECTOR & SECRETARY	55 00	X						0	543,384	167,486
(15) J DANIEL NELSON MD DIRECTOR	50 00	X						0	550,011	121,445
(16) DAVID DEGEAR MD VP - MEDICAL AFFAIRS	3 50				X			0	0	0
(17) JASON LUHRS CFO	50 00				X			0	138,884	36,677

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) STEVEN MASSEY PRESIDENT & CEO	50 00			X				0	158,206	23,134
(19) HELEN A SATHRE VP - PATIENT CARE	50 00			X				128,954	0	24,105
(20) MARY ELLEN BURK IMAGING TECHNICIAN	40 00					X		124,637	0	6,979
(21) HEIDI COLBETH OR MANAGER	40 00					X		118,574	0	33,150
(22) KELLY S LESLIE REGISTERRED NURSE	40 00					X		109,016	0	6,066
(23) MARY LUEKEN-ANDERSON EPIC PROJECT MANAGER	40 00					X		100,450	0	24,932
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								581,631	2,352,982	671,633

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
KRAUS-ANDERSON CONSTRUCTION CO 525 S EIGHTH MINNEAPOLIS, MN 55404	CONSTRUCTION	4,407,415
WESTERN WISCONSIN MEDICAL ASSOCIATES SC 551 HOSPITAL ROAD NEW RICHMOND, WI 54017	ER COVERAGE	1,009,051
ANESTHETISTS INC PO BOX 376 NEW RICHMOND, WI 54017	ANESTHESIA SERVICES	739,676
COMPUTERIZED MEDICAL IMAGING 719 W HAMILTON AVE SUITE B EAU CLAIRE, WI 54701	MEDICAL IMAGING SERVICES	165,910
SHARED MEDICAL TECHNOLOGY INC 202 W NEWTON STREET RICE LAKE, WI 54868	RADIOLOGY SERVICES	155,976

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **5**

Part VIII Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e	239,453				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	16,563				
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f	256,016				
Program Service Revenue	2a	PATIENT SERVICES	623000	34,086,300	34,086,300		
	b	DIETARY SERVICES	900099	315,978		315,978	
	c	MAINTENANCE SERVICES	811000	19,547		19,547	
	d	HOUSKEEPING SERVICES	561700	13,491		13,491	
	e	COPYING REVENUE	900099	1,148		1,148	
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		34,436,464			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,445,079		1,445,079	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a		(i) Real				
			(ii) Personal				
		b	Gross rents	758,496			
		c	Less rental expenses	197,018			
	d	Net rental income or (loss)	561,478			561,478	
	7a		(i) Securities				
			(ii) Other		869,698		
		b	Less cost or other basis and sales expenses		4,061		
		d	Net gain or (loss)		865,637		865,637
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
	b	Less direct expenses					
c	Net income or (loss) from fundraising events						
9a	Gross income from gaming activities See Part IV, line 19						
b	Less direct expenses						
c	Net income or (loss) from gaming activities						
10a	Gross sales of inventory, less returns and allowances						
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory						
	Miscellaneous Revenue	Business Code					
11a	OTHER INCOME	900099	71,178		71,178		
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		71,178				
12	Total revenue. See Instructions		37,635,852	34,086,300	0	3,293,536	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	680,934	680,934		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	13,241,496	11,487,322	1,754,174	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	181,660	167,225	14,435	
9	Other employee benefits	1,834,762	1,709,949	124,813	
10	Payroll taxes	713,494	656,799	56,695	
11	Fees for services (non-employees)				
a	Management				
b	Legal	52,368	2,151	50,217	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	3,457,011	3,142,341	314,670	
12	Advertising and promotion	120,398	2,163	118,235	
13	Office expenses	414,263	214,797	199,466	
14	Information technology	115,302	16,670	98,632	
15	Royalties				
16	Occupancy	790,635	732,073	58,562	
17	Travel	29,562	15,444	14,118	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	2,647	878	1,769	
20	Interest	566,524	323,289	243,235	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,499,484	533,754	965,730	
23	Insurance	146,792	146,792		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	2,402,886	2,401,099	1,787	
b	DRUGS	2,010,317	2,010,308	9	
c	BAD DEBT	1,041,935	1,041,962	-27	
d	EQUIPMENT RENT/LEASE	815,871	594,676	221,195	
e					
f	All other expenses	459,953	433,023	26,930	
25	Total functional expenses. Add lines 1 through 24f	30,578,294	26,313,649	4,264,645	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	271,444	1	807,822
	2 Savings and temporary cash investments	9,313,549	2	12,618,193
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	4,668,893	4	4,313,192
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	229,803	8	279,036
	9 Prepaid expenses and deferred charges	1,537,715	9	137,551
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	24,574,338		
	b Less accumulated depreciation	7,607,921	10c	16,966,417
	11 Investments—publicly traded securities	3,551,122	11	1,507,399
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	510,496
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	32,058,071	16	37,140,106	
Liabilities	17 Accounts payable and accrued expenses	10,251,237	17	8,641,313
	18 Grants payable		18	
	19 Deferred revenue	40,366	19	4,983
	20 Tax-exempt bond liabilities	9,342,360	20	9,344,059
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	2,832,777	24	2,608,073
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	22,466,740	26	20,598,428
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	9,591,331	27	16,541,678
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	9,591,331	33	16,541,678	
34 Total liabilities and net assets/fund balances	32,058,071	34	37,140,106	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	37,635,852
2	Total expenses (must equal Part IX, column (A), line 25)	2	30,578,294
3	Revenue less expenses Subtract line 2 from line 1	3	7,057,558
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	9,591,331
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-107,211
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	16,541,678

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
WESTFIELDS HOSPITAL INC

Employer identification number

39-0808442

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc. (See instructions)					12	

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** **Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Complete if the organization is described below.

Attach to Form 990 or Form 990-EZ. See separate instructions.

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization WESTFIELDS HOSPITAL INC

Employer identification number

39-0808442

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
4a Was a correction made?
b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		
j Total lines 1c through 1i			0
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	WESTFIELDS HOSPITAL, INC PAYS FOR CERTAIN CORPORATE AND EMPLOYEE PROFESSIONAL ASSOCIATION MEMBERSHIPS A PORTION OF SUCH MEMBERSHIP DUES POTENTIALLY COULD BE USED BY THE PROFESSIONAL ASSOCIATIONS FOR LOBBYING ACTIVITIES

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization WESTFIELDS HOSPITAL INC

Employer identification number 39-0808442

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment ▶
- b** Permanent endowment ▶
- c** Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		48,587		48,587
b Buildings		14,810,302	2,655,204	12,155,098
c Leasehold improvements				
d Equipment		9,457,300	4,755,862	4,701,438
e Other		258,149	196,855	61,294
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				16,966,417

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	37,635,852
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	30,578,294
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	7,057,558
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-107,211
9	Total adjustments (net) Add lines 4 - 8	9	-107,211
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	6,950,347

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	37,067,942
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	100,709
e	Add lines 2a through 2d	2e	100,709
3	Subtract line 2e from line 1	3	36,967,233
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	668,619
c	Add lines 4a and 4b	4c	668,619
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	37,635,852

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	30,010,384
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	-668,619
e	Add lines 2a through 2d	2e	-668,619
3	Subtract line 2e from line 1	3	30,679,003
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-100,709
c	Add lines 4a and 4b	4c	-100,709
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	30,578,294

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
PART XI, LINE 8 - OTHER ADJUSTMENTS		FASB 124 - FAIR MARKET VALUATION ADJUSTMENT - 107,211
PART XII, LINE 2D - OTHER ADJUSTMENTS		PRIOR YEAR TAX REFUND RECEIVED 100,709
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSE -197,018 GAIN ON FIXED ASSET DISPOSAL 865,637
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSE 197,018 GAIN ON FIXED ASSET DISPOSAL -865,637
PART XIII, LINE 4B - OTHER ADJUSTMENTS		PRIOR YEAR TAX REFUND RECEIVED -100,709

SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization WESTFIELDS HOSPITAL INC

Employer identification number 39-0808442

Part I Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? 1b If "Yes," is it a written policy? 2 If the organization had multiple hospitals... 3 Answer the following based on the charity care eligibility criteria... 3a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility... 3b Did the organization use FPG to determine eligibility for providing discounted care? 4 Did the organization's policy provide free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care... 5b If "Yes," did the organization's charity care expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations... 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Charity Care and Certain Other Community Benefits at Cost

Table with 6 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Charity Care and Means-Tested Government Programs (a-d) and Other Benefits (e-k).

Part III Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development	2		2,449		2,449	0.010 %
3 Community support	1	574	3,307		3,307	0.010 %
4 Environmental improvements						
5 Leadership development and training for community members	1		1,490		1,490	0 %
6 Coalition building	1	15	4,676		4,676	0.010 %
7 Community health improvement advocacy						
8 Workforce development	1	18	663		663	0 %
9 Other						
10 Total	6	607	12,585		12,585	0.030 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	Yes	
2	Enter the amount of the organization's bad debt expense		1,041,935
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy		122,513
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	10,183,514
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,183,514
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes

Part IV Management Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 ST CROIX VALLEY SHARED SERVICES INC	HOME HEALTH AND HOSPICE	25.000 %	0 %	0 %
2 2 CANCER CENTER OF WESTERN WISCONSIN	ONCOLOGY SERVICES	23.680 %	0 %	0 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	WESTFIELDS HOSPITAL INC 535 HOSPITAL ROAD NEW RICHMOND, WI 54017	X	X			X		X		

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

WESTFIELDS HOSPITAL INC

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment <u>20 09</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility		
d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in the community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
8 Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V Facility Information *(continued)*

	Yes	No
10 Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	10 Yes	
11 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	11 Yes	
<ul style="list-style-type: none"> a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI) 		
12 Explained the method for applying for financial assistance?	12	No
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	13 Yes	
<ul style="list-style-type: none"> a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI) 		

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14 Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP		
<ul style="list-style-type: none"> a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI) 		
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged	16 Yes	
<ul style="list-style-type: none"> a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI) 		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)		
<ul style="list-style-type: none"> a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI) 		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate why

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility's policy was not in writing
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
18	Yes	

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a** The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?

.

If "Yes," explain in Part VI

19		
20		No
21		No

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address

Type of Facility (Describe)

1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 PART I, LINE 7 USED WORKSHEETS PROVIDED IN SCHEDULE H INSTRUCTIONS TO CALCULATE COST TO CHARGE RATIOS

Identifier	ReturnReference	Explanation
		PART I, LINE 7G WESTFIELDS HOSPITAL, INC (WESTFIELDS) IS COMMITTED TO PROVIDING NEEDED SERVICES EVEN AT A FINANCIAL LOSS IN 2011, LOSS ON SERVICES FOR HOSPITAL OUTPATIENT SERVICES INCLUDING RESPIRATORY THERAPY, PHYSICAL THERAPY, ONCOLOGY, EMERGENCY AND TRAUMA -OBSERVATION, SPECIALTY CLINIC, DURABLE MEDICAL EQUIPMENT, AND REGIONAL BLOOD BANK TOTALED \$629,286

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) "BAD DEBT" EXPENSE REPRESENTS THE UNPAID OBLIGATION FOR CARE PROVIDED TO PATIENTS WHO HAVE BEEN DETERMINED TO BE ABLE TO PAY, BUT HAVE NOT DEMONSTRATED A WILLINGNESS TO DO SO BAD DEBT INCLUDES ANY UNPAID PATIENT RESPONSIBILITY THAT MAY INCLUDE, BUT IS NOT LIMITED TO, DEDUCTIBLES, CO-INSURANCE, CO-PAYMENTS AND NON-COVERED SERVICES

Identifier	ReturnReference	Explanation
		<p>PART II WESTFIELDS IS GOVERNED BY A BOARD OF DIRECTORS WITH REPRESENTATION FROM COMMUNITY MEMBERS STAFF PROVIDES FREE ON-GOING SUPPORT AND EDUCATION GROUPS IN BEREAVEMENT/GRIEF, BREASTFEEDING, CANCER, DIABETES, NUTRITION AND WEIGHT MANAGEMENT AND CAREGIVERS STAFF PROVIDES SCHOOL-BASED EDUCATION FOR ELEMENTARY AND SECONDARY SCHOOLS AND IS A TRAINING SITE FOR HEALTH CARE PROFESSIONALS AND NURSING STUDENTS DEDICATED STAFF PROVIDE SELF-HELP PROGRAMMING FOLLOWING CARDIAC REHAB AND PHYSICAL THERAPY WESTFIELDS PROVIDES HOME-DELIVERED MEALS TO COMMUNITY MEMBERS WORKING IN PARTNERSHIP WITH EACH OTHER, THE HEALTHPARTNERS FAMILY, NEW RICHMOND CLINIC AND THE COMMUNITY, WESTFIELDS ACCOMPLISHED A GREAT DEAL IN 2011 ADVANCEMENTS WERE MADE IN SUPPORT OF THE TRIPLE AIM TO ENSURE BETTER HEALTH FOR ALL, IMPROVED PATIENT EXPERIENCE AND AFFORDABLE HEALTH CARE AS A NOT-FOR-PROFIT COMMUNITY HOSPITAL SERVING THE NEW RICHMOND AREA SINCE 1950, WESTFIELDS CONTINUES TO PLAY AN IMPORTANT ROLE AND IS POSITIONED WELL TO MEET THE HEALTH CARE NEEDS OF THE AREA WESTFIELDS IS A FULL SERVICE HOSPITAL THAT OFFERS EMERGENCY SERVICES, SPECIALTY CLINICS, AND MATERNITY SERVICES, AS WELL AS MEDICAL AND SURGICAL INPATIENT AND OUTPATIENT CARE EMBRACING THEIR MOTTO, "CARE FOR LIFE", WESTFIELDS STAFF MEMBERS ARE PASSIONATE ABOUT HELPING EACH PATIENT BECOME THE HEALTHIEST PERSON POSSIBLE AND ARE THERE FOR CARE AND SUPPORT EVERY STEP OF THE WAY WESTFIELDS ENCOURAGES PATIENTS AND THEIR FAMILIES - THEIR PARTNERS IN HEALTH - TO BE ACTIVELY INVOLVED IN DECISIONS ABOUT THEIR OWN HEALTH CARE RESEARCH SHOWS THAT PATIENTS AND THEIR FAMILIES WHO ARE MORE INVOLVED WITH THEIR CARE FEEL THEY GET BETTER RESULTS AND ARE MORE SATISFIED SAFETY AND SATISFACTION ARE PRIORITIES AT WESTFIELDS WESTFIELDS IS MORE THAN JUST A HOSPITAL TAKING CARE OF PATIENTS WHEN THEY'RE SICK OR HURT THE GOAL IS TO BE A LEADING PARTNER IN HEALTH EDUCATION, OUTREACH AND IMPROVEMENT WESTFIELDS IS CONTINUALLY MAKING IMPROVEMENTS TO REACH THAT GOAL 2011 ACCOMPLISHMENTS INCLUDE - SPECIALTY CLINIC GROWTH - CONTINUED ADDITION OF SPECIALTY SERVICES AND INCREASED PHYSICIAN AVAILABILITY FOR ADDED CONVENIENCE - CARE CLOSE TO HOME NEW OR EXPANDED SERVICES IN 2011 INCLUDED ENDOCRINOLOGY, NEUROLOGY, ENT, PAIN MANAGEMENT, AND UROLOGY - SUPPORT OF PHYSICIAN RECRUITMENT IN PRIMARY CARE AND PEDIATRICS - OPENING OF THE CANCER CENTER OF WESTERN WISCONSIN (CCWW) IN COLLABORATION WITH FIVE OTHER HOSPITALS AND TWO MEDICAL PROVIDER GROUPS ON THE WESTFIELDS CAMPUS CCWW PROVIDES COORDINATED CLINICAL CARE AND AFFORDS PATIENTS REGIONAL ACCESS TO THE AREA'S ONLY RADIATION THERAPY CENTER WESTFIELDS PROVIDES CLINICAL ACCESS, INFUSION THERAPY, CANCER PREVENTION EDUCATION AND SUPPORT LOCALLY SURPASSED YEAR-END GOALS - CONTINUED OPTIMIZATION OF EPIC - ELECTRONIC HEALTH RECORD (EHR) SYSTEM TO IMPROVE HEALTHPARTNERS' REGIONAL NETWORK AND ADVANCE QUALITY, SAFETY AND EXPERIENCE FOR PATIENTS, CLINICIANS AND MEDICAL STAFF, AND REDUCE HEALTH CARE COSTS FOR INPATIENTS, WESTFIELDS - IMPROVED MEDICATION RECONCILIATION BY AT LEAST 25%- IMPROVED PATIENT EDUCATION AT DISCHARGE BY AT LEAST 30%- REDUCED MEDICATION ADMINISTRATION ERRORS BY AT LEAST 30%- ELIMINATED TRANSCRIPTION ERRORSHEALTHPARTNERS WAS NAMED ONE OF THE "MOST WIRED" ORGANIZATIONS BY HOSPITAL & HEALTH NETWORKS MAGAZINE WESTFIELDS, ONE OF THE FEW ITS SIZE NATIONALLY TO HAVE EPIC, TOGETHER WITH HUDSON HOSPITAL WERE AMONG THE FIRST IN THE STATE OF WISCONSIN TO ATTEST TO MEANINGFUL USE - COMMITMENTS TO MAJOR FACILITY UPGRADES TO SUPPORT BEST CARE BEST EXPERIENCE GOALS AND ACCOMMODATE ANTICIPATED GROWTH - CREATED DIRECTOR OF DEVELOPMENT POSITION TO ENABLE WESTFIELDS TO BETTER RESPOND TO THE UNIQUE NEEDS OF THE COMMUNITY BENEFITS TO PATIENTS AND THE COMMUNITY IN 2011WESTFIELDS' DEVOTION TO THE HEALTH OF THE COMMUNITY STARTS WITH PROVIDING EXCEPTIONAL MEDICAL CARE TO EACH PATIENT AND EXTENDS TO FAMILIES AND ORGANIZATIONS THROUGHOUT THE REGION THROUGH ITS COMMUNITY BENEFIT PROGRAM, WESTFIELDS OFFERED SPECIAL HELP AND SUPPORT - FOR INDIVIDUALS OR FAMILIES EXPERIENCING FINANCIAL HARDSHIP TO EFFORTS OR ORGANIZATIONS STRIVING TO IMPROVE THE QUALITY OF LIFE FOR ALL TOTAL 2011 COMMUNITY BENEFIT CONTRIBUTION EQUALED \$1,088,740 WHICH REPRESENTS 2.9% OF NET REVENUE THIS FIGURE IS REPORTED AT COST PER THE CATHOLIC HEALTH ASSOCIATION (CHA) COMMUNITY BENEFIT REPORTING GUIDELINES AND IN ACCORDANCE WITH WISCONSIN HOSPITAL ASSOCIATION (WHA) REPORTING REQUIREMENTS</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 "BAD DEBT" EXPENSE REPRESENTS THE UNPAID OBLIGATION FOR CARE PROVIDED TO PATIENTS WHO HAVE BEEN DETERMINED TO BE ABLE TO PAY, BUT HAVE NOT DEMONSTRATED A WILLINGNESS TO DO SO. BAD DEBT INCLUDES ANY UNPAID PATIENT RESPONSIBILITY THAT MAY INCLUDE, BUT IS NOT LIMITED TO, DEDUCTIBLES, CO-INSURANCE, CO-PAYMENTS AND NON-COVERED SERVICES. WESTFIELDS PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED ON MANAGEMENT'S JUDGMENT. PATIENTS AND RESIDENTS ARE NOT REQUIRED TO PROVIDE COLLATERAL FOR SERVICES PROVIDED. PAYMENT FOR SERVICES IS REQUIRED WITHIN 30 DAYS OF RECEIPT OF INVOICE. PAST-DUE ACCOUNTS ARE INDIVIDUALLY ANALYZED FOR COLLECTABILITY AND THEN TURNED OVER TO COLLECTION AGENTS. ACCOUNTS FOR WHICH NO PAYMENTS HAVE BEEN RECEIVED ARE ANALYZED AND AFTER APPROVAL ARE WRITTEN OFF. IN ADDITION, AN ALLOWANCE IS ESTIMATED FOR OTHER ACCOUNTS BASED ON HISTORICAL EXPERIENCE OF WESTFIELDS. BAD DEBT EXPENSE IS CALCULATED USING THE COST TO CHARGE RATIO FROM THE WORKSHEETS PROVIDED IN SCHEDULE H INSTRUCTIONS. BAD DEBT EXPENSE IS CURRENTLY EXCLUDED FROM THE COMMUNITY BENEFIT CALCULATION PER WHA.</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE SURPLUS (SHORTFALL) IN LINE 7 REPRESENTS THE ADDITIONAL 1% OF ALLOWABLE COST THAT CRITICAL ACCESS HOSPITALS RECEIVE MEDICARE SHORTFALL IS CURRENTLY EXCLUDED FROM THE COMMUNITY BENEFIT CALCULATION PER WHA, BUT CAN BE INCLUDED IN OTHER FINANCIAL REPORTS WESTFIELDS BASES ITS MEDICARE COSTING METHODOLOGY ON THE CMS MEDICARE COST REPORT METHODOLOGY, COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 9B WESTFIELDS DEBT COLLECTION POLICY CONTAINS PROVISIONS ON COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE WESTFIELDS WILL NOT REFER ANY ACCOUNT TO A THIRD PARTY DEBT COLLECTION AGENCY UNLESS IT HAS CONFIRMED THAT THERE IS REASONABLE BASIS TO BELIEVE THAT THE PATIENT OWES THE DEBT, ALL KNOWN THIRD-PARTY PAYERS HAVE BEEN PROPERLY BILLED, AND THE PATIENT IS RESPONSIBLE FOR THE REMAINING DEBT

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		<p>PART V, SECTION B, LINE 3 IN 2009, UNDER THE GUIDANCE OF THE ST CROIX COUNTY COMMUNITY HEALTH IMPROVEMENT PROCESS (CHIP) STEERING COMMITTEE (NOW HEALTHIER TOGETHER - ST CROIX COUNTY), A FORMAL COMMUNITY NEEDS ASSESSMENT COMPRISED OF QUALITATIVE AND QUANTITATIVE RESEARCH METHODOLOGIES WAS CONDUCTED AND RESULTS REPORTED THE REPORT USES THE STATE HEALTH PLAN, HEALTHIEST WISCONSIN 2010, AS ITS GUIDE FOR IMPROVEMENT CHIP PARTNERS ENGAGED IN THREE DIFFERENT ACTIVITIES* TO INFORM DECISIONS ABOUT SETTING PRIORITIES FOR THE COUNTY'S 2009 TO 2014 PLAN *PHOTOVOICE, AN INNOVATIVE RESEARCH METHOD DEVELOPED BY DR CAROLINE WANG DURING THE LATE 1990S WAS SELECTED AS THE QUALITATIVE RESEARCH COMPONENT OF THE ST CROIX COUNTY COMMUNITY HEALTH IMPROVEMENT PROCESS BECAUSE IT FOCUSES ON SOCIAL ACTION AND DEVELOPING PARTNERSHIPS FOR CHANGE THE RESEARCH WAS DONE IN PARTNERSHIP WITH WISCONSIN AREA HEALTH EDUCATION CENTERS (AHEC) AND APPROVED BY AND CONDUCTED IN ACCORDANCE WITH THE UNIVERSITY OF WISCONSIN-MADISON INSTITUTIONAL REVIEW BOARD PHOTOVOICE PLACES CAMERAS IN THE HANDS OF LOCAL RESIDENTS TO ENABLE THEM TO DEPICT THEIR EVERYDAY LIVES THROUGH VISUAL IMAGE PHOTOVOICE INTENTIONALLY SEEKS TO INCLUDE GROUPS WHO TYPICALLY DO NOT HAVE DIRECT ACCESS TO POLICY MAKERS IN ST CROIX COUNTY THREE GROUPS OF SIX WOMEN RAISING CHILDREN WERE RECRUITED (1) MOTHERS WHO ARE CONCERNED ABOUT MATERNAL AND CHILD HEALTH ISSUES, (2) MOTHERS WHO ARE OF HISPANIC ETHNICITY AND DO NOT SPEAK ENGLISH, AND (3) MOTHERS WHO ARE CONCERNED ABOUT HEALTHY EATING AND ACTIVE LIVING FOR THEIR CHILDREN CO-PRINCIPAL INVESTIGATOR FOR THE PROJECT, MAGGIE STEDMAN-SMITH, PHD, MPH, RN, COMPILED A FINAL REPORT, USING PHOTOVOICE TO HEAR THE VOICES OF MOTHERS RAISING CHILDREN IN ST CROIX COUNTY, AND PRESENTED THAT REPORT TO THE HEALTH IMPROVEMENT STEERING COMMITTEE THE PARTNERS ALSO DISPLAYED A PHOTOVOICE EXHIBIT AT THE PHIPPS CENTER FOR THE ARTS IN HUDSON AND AT OTHER PUBLIC VENUES PHOTOVOICE RESEARCH PROVIDED IMAGES, OVER 100 PHOTOS, AND ACCOMPANYING OBSERVATIONS FROM THE GROUPS OF MOTHERS ABOUT THEIR HEALTH CARE CONCERNS WHILE THE GROUPS OF MOTHERS DID NOT VOTE ON THE 11 HEALTH PRIORITIES OF HEALTHIEST WISCONSIN 2010, THEY DID, HOWEVER, ECHO MANY OF THE THEMES IDENTIFIED AS PART OF THOSE PRIORITIES THE PHOTOVOICE FINAL REPORT SUMMARIZED THE THEMES MOST OFTEN HIGHLIGHTED BY THE THREE GROUPS OF MOTHERS - ACCESS TO HEALTH CARE SERVICES- IMPROVED NUTRITION AND NUTRITION EDUCATION- ENVIRONMENTAL HEALTH AND SAFETY* CHIP SURVEY ("USE YOUR VOICE")THE ST CROIX COUNTY PARTNERS DISTRIBUTED SURVEYS BY MAIL TO (5,000) ST CROIX COUNTY HOUSEHOLDS USING RANDOM RESIDENTIAL SORT SURVEYS WERE MAILED TO A PREDETERMINED NUMBER OF HOUSEHOLDS IN EACH OF THE (12) ZIP CODES INCLUDED AN EMAIL SURVEY WAS ALSO SENT TO 4,698 OPT-IN USERS IN CITIES SERVED BY AREA NEWSPAPERS (ONLINE SUBSCRIPTIONS) THE SURVEY ASKED RESPONDENTS TO 1) INDICATE THEIR LEVEL OF INTEREST IN EACH OF THE 11 HEALTH PRIORITIES IDENTIFIED BY THE WISCONSIN DEPARTMENT OF HEALTH SERVICES AND 2) RANK THEIR CHOICES FOR THE TOP 3 PRIORITIES WHEN RANKING THEIR TOP CHOICES, THEY WERE TO ASSUME THAT THEY WERE IN CHARGE OF ALLOCATING RESOURCES TO MAKE CHANGES THAT WILL MAKE A DIFFERENCE IN PEOPLE'S LIVES, THEY HAD LIMITED RESOURCES TO USE IN THIS EFFORT, AND THEY WOULD NEED TO GATHER THE SUPPORT OF THE COMMUNITY IN ORDER TO GET THE WORK DONE THE SURVEY ALSO GATHERED SOME BASIC DEMOGRAPHIC INFORMATION ABOUT THE 683 INDIVIDUALS WHO COMPLETED THE SURVEY AND ASKED ABOUT RESPONDENTS' OPINIONS ABOUT THE THEN UPCOMING LEGISLATION BANNING SMOKING AT CERTAIN ESTABLISHMENTS IN WISCONSIN THE SURVEY PRODUCED THE VOTING RESULTS DISPLAYED ON PAGES 8, 9, AND 10 OF THE FULL REPORT IN ADDITION TO THE PRIORITY RANKINGS, THE SURVEY RESPONDENTS ALSO OFFERED THEIR OPINIONS ABOUT SECONDHAND SMOKE AND ABOUT THE PROPOSED TOBACCO LEGISLATION - WHICH TOOK EFFECT IN JULY OF 2010 BY A WIDE MARGIN, RESPONDENTS FELT THAT SECONDHAND SMOKE IS A SERIOUS HEALTH HAZARD, AND NEARLY 75% OF THE RESPONDENTS SUPPORTED THE TOBACCO LEGISLATION QUOTATIONS DRAWN FROM COMMENTS OFFERED BY SURVEY RESPONDENTS APPEAR THROUGHOUT THIS REPORT, IDENTIFIED BY THE "USE YOUR VOICE" TAGLINE *STEERING COMMITTEE REVIEW OF QUANTITATIVE RESEARCH FOLLOWING A SERIES OF MEETINGS TO REVIEW AND DISCUSS DATA AND STATISTICS RELEVANT TO EACH OF THE 11 HEALTH PRIORITIES, THE CHIP STEERING COMMITTEE, WESTFIELDS REPRESENTATIVE INCLUDED, MET AT HUDSON HOSPITAL & CLINICS ON MAY 28, 2009 AT THAT MEETING, THE GROUP CIRCULATED THE ROOM IN SMALL GROUPS TO DISCUSS DATA DISPLAYS ABOUT EACH HEALTH PRIORITY, AND THEN VOTED ON PRIORITIES ACCORDING TO THREE MEASURES 1 SIZE AND PREVALENCE OF THE ISSUE- HOW MANY PEOPLE DOES THIS AFFECT?- HOW DOES THE PREVALENCE OF THIS ISSUE IN ST CROIX COUNTY COMPARE WITH ITS PREVALENCE IN OTHER COUNTIES, THE WESTERN REGION, AND THE STATE OF WISCONSIN?- HOW SERIOUS ARE THE CONSEQUENCES? (URGENCY, SEVERITY, ECONOMIC LOSS)2 EFFECTIVENESS OF INTERVENTIONS- HOW LIKE</p>

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		<p>LY IS IT THAT ACTIONS TAKEN WILL MAKE A DIFFERENCE?- HOW LIKELY IS IT THAT ACTIONS WILL IMPROVE QUALITY OF LIFE?- HOW LIKELY IS IT THAT PROGRESS CAN BE MADE IN BOTH THE SHORT TERM AND THE LONG TERM?- HOW LIKELY IS IT THAT THE COMMUNITY WILL EXPERIENCE REDUCTION OF LONG-TERM COST?3 COMMUNITY CAPACITY- ARE PEOPLE LIKELY TO SUPPORT ACTIONS AROUND THIS ISSUE? (READY)- WILL IT BE NECESSARY TO CHANGE BEHAVIORS AND ATTITUDES IN RELATION TO THIS ISSUE? (WILLING)- ARE THE NECESSARY RESOURCES AND LEADERSHIP AVAILABLE TO US NOW? (ABLE)OF THE 11 HEALTH PRIORITIES REPRESENTED WITHIN THE STATE HEALTH PLAN, ST CROIX COUNTY IS FOCUSING ON THE TOP FIVE IDENTIFIED PRIORITIES ACCESS TO PRIMARY AND PREVENTIVE HEALTH SERVICES, O VERWEIGHT, OBESITY AND LACK OF PHYSICAL ACTIVITY, ADEQUATE & APPROPRIATE NUTRITION, ALCOHOL AND OTHER SUBSTANCE USE AND ADDICTION, AND TOBACCO USE AND EXPOSURE FOR PLAN YEARS 2009- 2014</p>

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		PART V, SECTION B, LINE 4 IN ADDITION TO WESTFIELDS (NEW RICHMOND), BALDWIN AREA MEDICAL CENTER (BALDWIN), HUDSON HOSPITAL (HUDSON) AND RIVER FALLS AREA HOSPITAL (RIVER FALLS) ALL HAD REPRESENTATION ON THE STEERING COMMITTEE AT THE TIME THIS NEEDS ASSESSMENT WAS DONE THEY ALL CONTINUE TO BE ACTIVE MEMBERS OF HEALTHIER TOGETHER - ST CROIX COUNTY, AT VARIOUS LEVELS OF INVOLVEMENT

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		PART V, SECTION B, LINE 5C THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) RESULTS - BOTH EXECUTIVE SUMMARY AND FULL REPORT ARE PUBLICLY AVAILABLE ON WESTFIELDS AND PUBLIC HEALTH WEB SITES AT WWW.WESTFIELDSHOSPITAL.COM/WELLNESS AND WWW.CO.SAINT-CROIX.WI.US/PUBLICHEALTH, AVAILABLE IN PRINT FORM AND AVAILABLE UPON REQUEST. RESULTS WERE ALSO SHARED THROUGH A PRESS RELEASE TO LOCAL PAPERS, E-BLAST TO KEY STAKEHOLDERS AND BUSINESS PARTNERS, AND AT A COMMUNITY FORUM HELD IN FEBRUARY 2010, AT WHICH 120 KEY STAKEHOLDERS FROM ACROSS THE COUNTY ATTENDED.

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		<p>PART V, SECTION B, LINE 7 OF THE 11 HEALTH PRIORITIES REPRESENTED WITHIN THE STATE HEALTH PLAN, HEALTHIEST WISCONSIN 2010, ST CROIX COUNTY WILL FOCUS ON THE TOP FIVE IDENTIFIED PRIORITIES FOR THE COUNTY ACCESS TO PRIMARY AND PREVENTIVE HEALTH SERVICES, OVERWEIGHT, OBESITY AND LACK OF PHYSICAL ACTIVITY, ADEQUATE & APPROPRIATE NUTRITION, ALCOHOL AND OTHER SUBSTANCE USE AND ADDICTION, AND TOBACCO USE AND EXPOSURE FOR PLAN YEARS 2009-2014 OF THESE FIVE, WESTFIELDS LEADERSHIP COMMITTED TO VARIOUS LEVELS OF INVOLVEMENT FOR EACH (LEAD, COLLABORATE, PARTICIPATE, ADVOCATE) THE BOLD PRIORITIES ARE HOSPITAL FOCUSES - ACCESS TO PRIMARY AND PREVENTIVE HEALTH SERVICES - LEAD/PARTICIPATE MEDICAL CARE/PREVENTIVE SERVICES - LEAD, MENTAL HEALTH - LEAD, ORAL HEALTH - PARTICIPATE- OVERWEIGHT, OBESITY, LACK OF PHYSICAL ACTIVITY - COLLABORATE/COLLABORATE NUTRITION - COLLABORATE, PHYSICAL ACTIVITY - COLLABORATE- ADEQUATE & APPROPRIATE NUTRITION - PARTICIPATE- ALCOHOL AND OTHER SUBSTANCE USE AND ADDICTION - ADVOCATE- TOBACCO USE AND EXPOSURE - COLLABORATE WHILE WESTFIELDS HAS CLINICAL EXPERTISE IN ALL THE IDENTIFIED HEALTH PRIORITIES, IT CHOSE TO LEAD/COLLABORATE ON THOSE TOPICS WHERE IT HAS THE GREATEST AMOUNT OF RESOURCES (BOTH STAFF AND MATERIALS), CAN BEST UTILIZE ITS CONTENT EXPERTS, AND HAVE THE GREATEST IMPACT ON OVERALL HEALTH IMPROVEMENT ADDITIONAL WESTFIELDS STAFF MEMBERS WILL JOIN SELECTED TASK FORCES IN 2012 TO HELP ADVANCE THE PLAN</p>

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		<p>PART V, SECTION B, LINE 13G WESTFIELDS SERVES ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY IN 2011, WESTFIELDS PROVIDED \$122,513 IN FINANCIAL ASSISTANCE WESTFIELDS DEFINES FINANCIAL ASSISTANCE AS THE COST OF CARE DELIVERED TO PATIENTS WHO ARE WILLING, BUT UNABLE, TO PAY FOR THE SERVICES THEY RECEIVE THIS INCLUDES PATIENTS WHOSE CHARGES ARE FORGIVEN OR REDUCED BECAUSE OF INABILITY TO PAY, PATIENTS WHO ARE UNABLE TO PAY THE BALANCE LEFT BY ANY PAYER, AND PATIENTS FOR WHOM UNUSUAL CIRCUMSTANCES OR SPECIAL FINANCIAL HARDSHIP WARRANT SPECIAL CONSIDERATION TO INFORM AND EDUCATE PATIENTS ON ITS FINANCIAL ASSISTANCE PROGRAM, FINANCIAL ASSISTANCE POLICY, AND GOVERNMENT PROGRAMS, WESTFIELDS HAS DEVELOPED A FINANCIAL COUNSELING PROGRAM WHEN A PATIENT VISITS WESTFIELDS' EMERGENCY DEPARTMENT OR IS ADMITTED TO WESTFIELDS, BASIC INFORMATION ABOUT INSURANCE STATUS IS REQUESTED IF A PATIENT DOES NOT HAVE HEALTH INSURANCE, PATIENT FINANCIAL SERVICES IS CONTACTED TO MEET OR FOLLOW-UP WITH THE PATIENT ALL PATIENTS WITHOUT INSURANCE AUTOMATICALLY QUALIFY FOR A DISCOUNT OF 20%, REGARDLESS OF INCOME IF THE PATIENT IS INTERESTED IN DETERMINING IF THEY ARE ELIGIBLE FOR FURTHER DISCOUNTS, THEY WILL BE REQUESTED TO PROVIDE ADDITIONAL INFORMATION ENROLLMENT ASSISTANCE, INFORMATION, AND REFERRAL SERVICES ARE AVAILABLE TO HELP SECURE A PAYMENT SOURCE FOR UNINSURED AND UNDER INSURED PATIENTS PATIENT FINANCIAL SERVICES, ADMINISTERED BY WESTFIELDS BUSINESS OPERATIONS, HELPS PATIENTS ENROLL IN GOVERNMENT PROGRAMS, FIND OTHER SOURCES OF PAYMENT, OR ACCESS SERVICES BEYOND MEDICAL CARE FINANCIAL INFORMATION (PAYMENT, BILLING AND INSURANCE COVERAGE) AND FINANCIAL ASSISTANCE OPPORTUNITIES ARE NOTED ON WESTFIELDS' WEB SITE, ON ALL BILLING STATEMENTS, AND IN THE PATIENT INFORMATION GUIDE, DISTRIBUTED TO ALL NEW PATIENTS IN ADDITION TO FINANCIAL COUNSELING, WESTFIELDS HAS A STAFF SOCIAL WORKER AND A CASE MANAGER TO HANDLE CRISIS INTERVENTIONS, EMERGENCY ROOM NEEDS, AND PATIENT AFTERCARE</p>

Identifier	ReturnReference	Explanation
WESTFIELDS HOSPITAL, INC		PART V, SECTION B, LINE 19D WESTFIELDS UTILIZES A SET PERCENTAGE AS ITS DISCOUNT FOR SELF-PAY PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 WITHIN THE CAPABILITIES OF WESTFIELDS STAFF AND FACILITIES, WESTFIELDS PROVIDES COMPREHENSIVE HEALTH CARE SERVICES FOR THE BENEFIT OF THE COMMUNITY OF WESTERN WISCONSIN, INCLUDING MEDICAL SCREENING EXAMINATIONS, NECESSARY STABILIZING TREATMENT AND APPROPRIATE TRANSFER TO ANOTHER FACILITY REGARDLESS OF AN INDIVIDUAL'S ABILITY TO PAY WESTFIELDS PARTICIPATES IN THE ST CROIX COUNTY COMMUNITY HEALTH IMPROVEMENT PROCESS (CHIP) WHICH SURVEYS COUNTY RESIDENTS REGARDING IDENTIFIED STATE PUBLIC HEALTH PRIORITIES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 WESTFIELDS EMPLOYS A SOCIAL WORKER AND FINANCIAL COUNSELORS TO ENSURE OUR PATIENTS RECEIVE THE BEST IN FINANCIAL SERVICE AS WELL AS INFORMATION ON COMMUNITY SERVICES, SUPPORT AND REFERRALS FOR THE UNDERINSURED OR UNINSURED IN ADDITION TO HIGH QUALITY CARE FINANCIAL COUNSELORS WORK CLOSELY WITH PATIENTS TO DISCUSS INSURANCE COVERAGE, PAYMENT OPTIONS OR HELP PATIENTS APPLY FOR COUNTY, FEDERAL OR STATE PROGRAMS WESTFIELDS OFFERS SELF-PAY DISCOUNTS AND HAS FINANCIAL ASSISTANCE AVAILABLE BASED ON INCOME, FAMILY SIZE AND OTHER ECONOMIC GUIDELINES WESTFIELDS' COMMUNITY CARE PROGRAM ASSISTS THOSE WHO ARE ENDURING FINANCIAL HARDSHIP THROUGH A)REDUCTION OF MONTHLY PAYMENTS, B)PARTIAL OR TOTAL DISCOUNT, DETERMINED BASED UPON FEDERAL INCOME POVERTY GUIDELINES, MONTHLY EXPENSES AND ASSETS</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 WESTFIELDS SERVES RESIDENTS FROM ST CROIX COUNTY, WISCONSIN AND SURROUNDING COUNTIES OF POLK, DUNN AND PIERCE 2010 CENSUS LISTS THE POPULATION OF ST CROIX COUNTY AT 83,351, A 32.0% POPULATION GROWTH SINCE 2000 7.4% WERE UNDER 5 YEARS OLD, 25.9% UNDER 18, 10% WERE 65 YEARS AND OVER 49.7% WERE FEMALE THE POPULATION IS 96.8% WHITE, 0.7% BLACK, 0.3% AMERICAN INDIAN, 1.3% ASIAN AND 1.4% HISPANIC OR LATINO

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 WESTFIELDS IS GOVERNED BY A BOARD OF DIRECTORS WITH REPRESENTATION FROM COMMUNITY MEMBERS STAFF PROVIDES FREE ON-GOING SUPPORT AND EDUCATION GROUPS IN BEREAVEMENT/GRIEF, BREASTFEEDING, CANCER, DIABETES, NUTRITION AND WEIGHT MANAGEMENT AND CAREGIVERS STAFF PROVIDES SCHOOL-BASED EDUCATION FOR ELEMENTARY AND SECONDARY SCHOOLS AND IS A TRAINING SITE FOR HEALTH CARE PROFESSIONALS AND NURSING STUDENTS DEDICATED STAFF PROVIDE SELF-HELP PROGRAMMING FOLLOWING CARDIAC REHAB AND PHYSICAL THERAPY WESTFIELDS PROVIDES HOME-DELIVERED MEALS TO COMMUNITY MEMBERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 AFFILIATED HEALTH CARE SYSTEMPLEASE SEE SCHEDULE O DISCUSSION OF EXEMPT PURPOSE AND ACHIEVEMENTS - "CORPORATE STRUCTURE, PURPOSE, GOVERNANCE "

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	WI,MN

Identifier	ReturnReference	Explanation
HEALTH PROFESSIONS EDUCATION	SCHEDULE H - PART I, LINE 7F	WESTFIELDS STAFF PROVIDED CLINICAL TRAINING FOR 96 NURSES AND NURSING STUDENTS AND 6 HEALTH PROFESSIONALS FROM FIVE INSTITUTIONS AT A COST OF \$14,405

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H - PART VI, LINE 2	TO BETTER UNDERSTAND AND ADDRESS THE COMMUNITY NEEDS OF THOSE WESTFIELDS SERVES, WESTFIELDS REMAINS COMMITTED TO ITS WORK WITH HEALTHIER TOGETHER - ST CROIX COUNTY AND THE COMMUNITY HEALTH IMPROVEMENT PROCESS PLAN IMPLEMENTATION IS UNDERWAY AND WESTFIELDS LEADERSHIP REMAINS COMMITTED TO PLAN SUCCESS WITHIN THE CAPABILITIES OF WESTFIELDS STAFF AND FACILITIES, WESTFIELDS PROVIDES COMPREHENSIVE HEALTH CARE SERVICES FOR THE BENEFIT OF THE COMMUNITY OF WESTERN WISCONSIN, INCLUDING MEDICAL SCREENING EXAMINATIONS, NECESSARY STABILIZING TREATMENT AND APPROPRIATE TRANSFER TO ANOTHER FACILITY REGARDLESS OF AN INDIVIDUAL'S ABILITY TO PAY

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H - PART VI, LINE 3	WESTFIELDS EMPLOYS A SOCIAL WORKER AND FINANCIAL COUNSELORS TO ENSURE OUR PATIENTS RECEIVE THE BEST IN FINANCIAL SERVICE AS WELL AS INFORMATION ON COMMUNITY SERVICES, SUPPORT AND REFERRALS FOR THE UNDERINSURED OR UNINSURED IN ADDITION TO HIGH QUALITY CARE FINANCIAL COUNSELORS WORK CLOSELY WITH PATIENTS TO DISCUSS INSURANCE COVERAGE, PAYMENT OPTIONS OR HELP PATIENTS APPLY FOR COUNTY, FEDERAL OR STATE PROGRAMS WESTFIELDS OFFERS SELF-PAY DISCOUNTS AND HAS FINANCIAL ASSISTANCE AVAILABLE BASED ON INCOME, FAMILY SIZE AND OTHER ECONOMIC GUIDELINES WESTFIELDS' COMMUNITY CARE PROGRAM ASSISTS THOSE WHO ARE ENDURING FINANCIAL HARDSHIP THROUGH A) REDUCTION OF MONTHLY PAYMENTS OR B) PARTIAL OR TOTAL DISCOUNT DETERMINATION IS BASED ON FEDERAL INCOME POVERTY GUIDELINES, MONTHLY EXPENSES AND ASSETS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H - PART VI, LINE 4	WESTFIELDS SERVES RESIDENTS FROM ST CROIX COUNTY, WISCONSIN AND SURROUNDING COUNTIES OF POLK, DUNN AND PIERCE 2010 CENSUS LISTS THE POPULATION OF ST CROIX COUNTY AT 84,345, A 33.6% POPULATION GROWTH SINCE 2000. RAPID GROWTH CONTINUES WITHIN ST CROIX COUNTY, MUCH IN PART DUE TO ITS CLOSE PROXIMITY TO THE TWIN CITIES (MINNEAPOLIS/ST PAUL) WHERE MANY RESIDENTS COMMUTE TO WORK. ST CROIX COUNTY'S POPULATION IS COMPRISED OF 7.4% UNDER 5 YEARS OLD, 26% UNDER 18, 10% 65 YEARS AND OVER, AND 50% FEMALE. THE POPULATION IS 95.9% WHITE, 0.7% BLACK, 0.4% AMERICAN INDIAN, 1.0% ASIAN AND 2.0% HISPANIC OR LATINO. ST CROIX COUNTY HAS A HIGH MEDIAN INCOME COMPARATIVELY WITHIN THE STATE - \$69,682 AND A POVERTY RATE APPROXIMATELY HALF THAT OF THE REST OF THE STATE - 6.3% ACCORDING TO THE 2011 COUNTY HEALTH RANKINGS REPORT, ST CROIX COUNTY RANKED AS THE 2ND HEALTHIEST COUNTY OVERALL IN THE STATE (OUT OF 72 COUNTIES)

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

2011

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. Attach to Form 990

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization WESTFIELDS HOSPITAL INC

Employer identification number 39-0808442

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for WESTFIELDS HOSPITAL FOUNDATION and PRESBYTERIAN HOMES FOUNDATION.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
3 Enter total number of other organizations listed in the line 1 table

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 WESTFIELDS HOSPITAL, INC (WESTFIELDS) MANAGEMENT STAFF REVIEW THE MISSION AND PURPOSE OF POTENTIAL GRANTEE ORGANIZATIONS TO ASSURE CONSISTENCY WITH WESTFIELDS' MISSION AND PURPOSE AMOUNTS SUBSEQUENTLY GRANTED ARE SUBJECT TO THE WESTFIELDS' FORMAL SPENDING APPROVAL AND DOCUMENTATION PROCESS BASED ON AMOUNT OF THE EXPENDITURE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
WESTFIELDS HOSPITAL INC

Employer identification number

39-0808442

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b	Yes	
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DAVE A DZIUK	(i)	0	0	0	0	0	0	0
	(ii)	373,035	100,240	22,951	53,153	89,832	639,211	11,553
(2) GRETCHEN M LEITERMAN	(i)	0	0	0	0	0	0	0
	(ii)	211,125	47,552	0	0	61,705	320,382	0
(3) JEAN NEEDHAM	(i)	0	0	0	0	0	0	0
	(ii)	149,157	58,437	0	0	22,969	230,563	0
(4) BROCK D NELSON	(i)	0	0	0	0	0	0	0
	(ii)	420,157	123,227	0	83,082	84,404	710,870	0
(5) J DANIEL NELSON MD	(i)	0	0	0	0	0	0	0
	(ii)	414,503	28,000	107,508	0	121,445	671,456	107,508
(6) JASON LUHRS	(i)	0	0	0	0	0	0	0
	(ii)	123,120	15,764	0	0	36,677	175,561	0
(7) STEVEN MASSEY	(i)	0	0	0	0	0	0	0
	(ii)	158,206	0	0	0	23,134	181,340	0
(8) HELEN A SATHRE	(i)	128,954	0	0	0	24,105	153,059	0
	(ii)	0	0	0	0	0	0	0
(9) HEIDI COLBETH	(i)	118,574	0	0	0	33,150	151,724	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
PART I, LINE 4B		DEFERRED COMPENSATION IN COLUMN C OF SCHEDULE J, PART II INCLUDES AMOUNTS FROM A NONQUALIFIED 457(F) PLAN FOR THE FOLLOWING DIRECTORS AND OFFICERS DAVID A DZIUK \$16,629 BROCK D NELSON 34,781 ----- TOTAL \$51,410 ===== COMPENSATION IN COLUMN B OF SCHEDULE J, PART II INCLUDES AMOUNTS FROM SEVERANCE PAYMENTS FOR THE FOLLOWING FORMER OFFICER THEODORE R BJORK \$ 50,274
PART I, LINE 6		WESTFIELDS HOSPITAL, INC (WESTFIELDS) DOES HAVE EMPLOYEES, HOWEVER, WESTFIELDS' CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ARE EMPLOYEES OF RELATED ORGANIZATIONS REGIONS HOSPITAL (REGIONS) AND GROUP HEALTH PLAN, INC (GHI) RESPECTIVELY COMPENSATION PAID TO THESE TWO OFFICERS BY REGIONS AND GHI IS REIMBURSED BY WESTFIELDS BOTH REGIONS AND GHI HAVE MANAGEMENT INCENTIVE PROGRAMS THAT INCENT AND REWARD THE ORGANIZATIONS' BUSINESS LEADERS WHO HELP THE ORGANIZATION ACHIEVE STATED BUSINESS AND/OR HEALTH IMPROVEMENT GOALS FOR A SPECIFIC FISCAL YEAR THE PROGRAM IS AN ELEMENT OF THE PARTICIPANT'S REGIONS OR GHI TOTAL COMPENSATION PACKAGE REGIONS AND GHI MANAGEMENT INCENTIVE PROGRAMS' REWARDS ARE BASED ON POSITION IN THE ORGANIZATION AND THE ACHIEVEMENT OF BUSINESS AND HEALTH IMPROVEMENT GOALS ESTABLISHED IN A VARIETY OF AREAS GOALS WILL BE RELATED TO THE ORGANIZATION'S STRATEGIC PLAN AND WILL BE BALANCED THESE AREAS MAY INCLUDE BUT ARE NOT LIMITED TO PATIENT SATISFACTION, EMPLOYEE SATISFACTION, WORK ENVIRONMENT, EMPLOYEE AND/OR LEADERSHIP DEVELOPMENT, CARE DELIVERY, PATIENT EDUCATION, SIX AIMS, MARKET SHARE, STRATEGIC CAPABILITIES, FINANCIAL PERFORMANCE (NET MARGIN), ETC , AND WILL BE DEFINED ANNUALLY FOR EACH YEAR'S PROGRAM A NET MARGIN THRESHOLD MUST BE MET FOR ANY PAYMENT TO BE MADE FROM THE PROGRAM AND THERE IS A CAP ON THE MAXIMUM INCENTIVE POTENTIALLY AVAILABLE TO EACH PARTICIPANT

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

2011

**Open to Public
Inspection**

Name of the organization
WESTFIELDS HOSPITAL INC

Employer identification number

39-0808442

Identifier	Return Reference	Explanation
PRIMARY EXEMPT PURPOSE AND ACHIEVEMENTS	FORM 990, PART III, LINE 4A	<p>CORPORATE STRUCTURE, PURPOSE, GOVERNANCE WESTFIELDS HOSPITAL, INC (WESTFIELDS), A STATE LICENSED 25-BED, LEVEL IV CRITICAL ACCESS HOSPITAL (CAH), IS A WISCONSIN NON-PROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE (IRC) SECTION 501(C)(3) WESTFIELDS IS THE SOLE CORPORATE MEMBER OF WESTFIELDS HOSPITAL FOUNDATION, INC , A FOUNDATION WHOSE PURPOSE IS TO SUPPORT WESTFIELDS GROUP HEALTH PLAN, INC AND RH-WISCONSIN, INC ARE CORPORATE MEMBERS OF WESTFIELDS WESTFIELDS IS PART OF THE HEALTHPARTNERS FAMILY OF CARE HEALTHPARTNERS, INC , A MINNESOTA NON-PROFIT CORPORATION AND LICENSED HEALTH MAINTENANCE ORGANIZATION (HMO) WHICH IS RECOGNIZED AS EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE (IRC) SECTION 501(C)(4), IS THE SOLE CORPORATE MEMBER OF HPI-RAMSEY, A MINNESOTA NON-PROFIT CORPORATION RECOGNIZED AS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) HPI-RAMSEY IS THE SOLE CORPORATE MEMBER OF REGIONS HOSPITAL AND REGIONS HOSPITAL'S SISTER ORGANIZATIONS, REGIONS HOSPITAL FOUNDATION, CAPITAL VIEW TRANSITIONAL CARE CENTER, STILLWATER HEALTH SYSTEM, AND RAMSEY INTEGRATED HEALTH SERVICES, ALL OF WHICH ARE MINNESOTA NON-PROFIT CORPORATIONS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) HPI-RAMSEY IS ALSO THE SOLE CORPORATE MEMBER OF RH-WISCONSIN, INC , A WISCONSIN NON-STOCK CORPORATION THAT IS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) HEALTHPARTNERS, INC IS ALSO THE SOLE CORPORATE MEMBER OF THE FOLLOWING ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) GROUP HEALTH PLAN, INC (A STAFF MODEL HMO) WHICH IS ITSELF THE SOLE CORPORATE MEMBER OF HEALTHPARTNERS RESEARCH FOUNDATION, PHYSICIANS NECK & BACK CLINICS AND HEALTHPARTNERS CENTRAL MINNESOTA CLINICS, INC (FORMERLY CENTRAL MINNESOTA GROUP HEALTH, INC), ALL OF WHICH ARE EXEMPT UNDER SECTION 501(C)(3) HEALTHPARTNERS INSTITUTE FOR MEDICAL EDUCATION, RHSC, INC RH-WISCONSIN, INC AND GROUP HEALTH PLAN, INC ARE CORPORATE MEMBERS OF WESTFIELDS AND HUDSON HOSPITAL, INC , BOTH OF WHICH ARE WISCONSIN NON-PROFIT CORPORATIONS EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) RH-WISCONSIN, INC IS ALSO THE SOLE CORPORATE MEMBER OF WESTERN WISCONSIN EMERGENCY MEDICAL SERVICES COMPANY, AN AMBULANCE SERVICE WHICH IS A WISCONSIN NON-PROFIT CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER IRC SECTION 501(C)(3) TOGETHER, ALL OF THESE RELATED ORGANIZATIONS COMPRISE THE HEALTHPARTNERS FAMILY OF ORGANIZATIONS (HEALTHPARTNERS), WHICH IS AN INTEGRATED HEALTH CARE DELIVERY SYSTEM THAT COMBINES THE PROVISION AND FINANCING OF HEALTH CARE SERVICES, FOR THE PURPOSE OF IMPROVING THE HEALTH OF ITS VARIOUS ENTITIES' MEMBERS, PATIENTS, AND THE BROADER COMMUNITY HEALTHPARTNERS AND WESTFIELDS ALSO PARTNER WITH OTHER PLANS, CARE PROVIDERS AND NON-PROFIT ORGANIZATIONS IN THE REGION AND THROUGHOUT THE NATION, TO INCREASE ACCESS, CREATE AND DISSEMINATE QUALITY MEASURES AND INITIATIVES, PARTICIPATE IN DEVELOPMENT OF PUBLIC POLICY AND COLLABORATE ON SYSTEM IMPROVEMENTS WESTFIELDS CONTINUES TO WORK IN PARTNERSHIP WITH THE HEALTHPARTNERS FAMILY, THE NEW RICHMOND CLINIC, AND THE COMMUNITY TO ALSO PROMOTE COMMUNITY HEALTH THROUGH CLINICAL INITIATIVES, EDUCATION AND OUTREACH, AND COMMUNITY HEALTH IMPROVEMENT EFFORTS SUCH AS HEALTHIER TOGETHER - ST CROIX COUNTY AS A NOT-FOR-PROFIT COMMUNITY HOSPITAL SERVING THE NEW RICHMOND AREA SINCE 1950, WESTFIELDS CONTINUES TO PLAY AN IMPORTANT ROLE AND IS POSITIONED WELL TO MEET THE HEALTH CARE NEEDS OF THE AREA WESTFIELDS IS A FULL SERVICE HOSPITAL THAT OFFERS EMERGENCY SERVICES, SPECIALTY CLINICS, AND MATERNITY SERVICES, AS WELL AS MEDICAL AND SURGICAL INPATIENT AND OUTPATIENT CARE EMBRACING THEIR MOTTO, "CARE FOR LIFE", WESTFIELDS STAFF MEMBERS ARE PASSIONATE ABOUT HELPING EACH PATIENT BECOME THE HEALTHIEST THEY CAN BE EVERY STEP OF THE WAY WESTFIELDS ENCOURAGES PATIENTS AND THEIR FAMILIES - THEIR PARTNERS IN HEALTH - TO BE ACTIVELY INVOLVED IN DECISIONS ABOUT THEIR OWN HEALTH CARE RESEARCH SHOWS THAT PATIENTS AND THEIR FAMILIES WHO ARE MORE INVOLVED WITH THEIR CARE FEEL THEY GET BETTER RESULTS AND ARE MORE SATISFIED SAFETY AND SATISFACTION ARE PRIORITIES AT WESTFIELDS WESTFIELDS IS MORE THAN JUST A HOSPITAL TAKING CARE OF PATIENTS WHEN THEY'RE SICK OR HURT THE GOAL IS TO BE A LEADING PARTNER IN HEALTH EDUCATION, OUTREACH AND IMPROVEMENT WESTFIELDS IS CONTINUALLY MAKING IMPROVEMENTS TO REACH THAT GOAL 2011 ACCOMPLISHMENTS INCLUDE - SPECIALTY CLINIC GROWTH - CONTINUED ADDITION OF SPECIALTY SERVICES AND INCREASED PHYSICIAN AVAILABILITY FOR ADDED CONVENIENCE - CARE CLOSE TO HOME NEW OR EXPANDED SERVICES IN 2011 INCLUDED ENDOCRINOLOGY, NEUROLOGY, ENT, PAIN MANAGEMENT, AND UROLOGY - SUPPORT OF PHYSICIAN RECRUITMENT IN PRIMARY CARE AND PEDIATRICS - OPENING OF THE CANCER CENTER OF WESTERN WISCONSIN (CCWW) IN COLLABORATION WITH FIVE OTHER HOSPITALS AND TWO MEDICAL PROVIDER GROUPS ON THE WESTFIELDS CAMPUS CCWW PROVIDES COORDIN</p>

Identifier	Return Reference	Explanation
PRIMARY EXEMPT PURPOSE AND ACHIEVEMENTS	FORM 990, PART III, LINE 4A	<p>ATED CLINICAL CARE AND AFFORDS PATIENTS REGIONAL ACCESS TO THE AREA'S ONLY RADIATION THERA PY CENTER WESTFIELDS PROVIDES CLINICAL ACCESS, INFUSION THERAPY, CANCER PREVENTION EDUCAT ION AND SUPPORT LOCALLY SURPASSED YEAR-END GOALS - CONTINUED OPTIMIZATION OF EPIC - ELEC TRONIC HEALTH RECORD (EHR) SYSTEM TO IMPROVE HEALTHPARTNERS' REGIONAL NETWORK AND ADVANCE QUALITY, SAFETY AND EXPERIENCE FOR PATIENTS, CLINICIANS AND MEDICAL STAFF, AND REDUCE HEAL TH CARE COSTS FOR INPATIENTS, WESTFIELDS - IMPROVED MEDICATION RECONCILIATION BY AT LEAS T 25% - IMPROVED PATIENT EDUCATION AT DISCHARGE BY AT LEAST 30% - REDUCED MEDICATION ADMIN ISTRATION ERRORS BY AT LEAST 30% - ELIMINATED TRANSCRIPTION ERRORS HEALTHPARTNERS WAS NAME D ONE OF THE "MOST WIRED" ORGANIZATIONS BY HOSPITAL & HEALTH NETWORKS MAGAZINE WESTFIELDS , ONE OF THE FEW ITS SIZE NATIONALLY TO HAVE EPIC, TOGETHER WITH HUDSON HOSPITAL WERE AMON G THE FIRST IN THE STATE OF WISCONSIN TO ATTEST TO MEANINGFUL USE - COMMITMENTS TO MAJOR FACILITY UPGRADES TO SUPPORT BEST CARE BEST EXPERIENCE GOALS AND ACCOMMODATE ANTICIPATED G ROWTH - CREATED DIRECTOR OF DEVELOPMENT POSITION TO ENABLE WESTFIELDS TO BETTER RESPOND T O THE UNIQUE NEEDS OF THE COMMUNITY BENEFITS TO PATIENTS AND THE COMMUNITY IN 2011 WESTFI ELDS' DEVOTION TO THE HEALTH OF THE COMMUNITY STARTS WITH PROVIDING EXCEPTIONAL MEDICAL CA RE TO EACH PATIENT AND EXTENDS TO FAMILIES AND ORGANIZATIONS THROUGHOUT THE REGION THROUG H ITS COMMUNITY BENEFIT PROGRAM, WESTFIELDS OFFERED SPECIAL HELP AND SUPPORT - FOR INDIVID UALS OR FAMILIES EXPERIENCING FINANCIAL HARDSHIP TO EFFORTS OR ORGANIZATIONS STRIVING TO IMPROVE THE QUALITY OF LIFE FOR ALL TOTAL 2011 COMMUNITY BENEFIT CONTRIBUTION EQUALED \$1,0 88,740 WHICH REPRESENTS 2 9% OF NET REVENUE THIS FIGURE IS REPORTED AT COST PER THE CATHO LIC HEALTH ASSOCIATION (CHA) COMMUNITY BENEFIT REPORTING GUIDELINES AND IN ACCORDANCE WITH WISCONSIN HOSPITAL ASSOCIATION (WHA) REPORTING REQUIREMENTS FINANCIAL ASSISTANCE AND HEA LTHCARE ACCESS FOR LOW-INCOME INDIVIDUALS - \$122,513 FINANCIAL ASSISTANCE IS DEFINED AS TH E COST OF CARE DELIVERED TO PATIENTS WHO ARE WILLING, BUT UNABLE TO PAY FOR THE SERVICES T HEY RECEIVE THIS INCLUDES PATIENTS WHOSE CHARGES ARE FORGIVEN OR REDUCED BECAUSE OF INABI LITY TO PAY, PATIENTS WHO ARE UNABLE TO PAY THE BALANCE LEFT BY ANY PAYER, AND PATIENTS FO R WHOM UNUSUAL CIRCUMSTANCES OR SPECIAL FINANCIAL HARDSHIP WARRANT SPECIAL CONSIDERATION WESTFIELDS PROVIDED \$122,513 IN FINANCIAL ASSISTANCE TO 45 LOW INCOME AND UNINSURED PATIEN TS FINANCIAL ASSISTANCE REPRESENTS ABOUT 0 39% OF WESTFIELDS TOTAL OPERATING EXPENSES</p>

Identifier	Return Reference	Explanation
		<p>CARE FOR MEDICAID PATIENTS - \$195,532 WESTFIELDS PROVIDES INPATIENT AND OUTPATIENT CARE, INCLUDING EMERGENCY DEPARTMENT SERVICES, TO MEDICAID PATIENTS PAYMENTS RECEIVED FOR THESE SERVICES ARE BELOW THE COST OF CARE PROVIDED WESTFIELDS EXPENSE TO COVER UNREIMBURSED MEDICAID COSTS FOR 3,091 PATIENTS TOTALED \$195,532 SUBSIDIZED HEALTH SERVICES - \$629,286 WESTFIELDS IS COMMITTED TO PROVIDING NEEDED SERVICES EVEN AT A FINANCIAL LOSS IN 2011, LOSS ON SERVICES FOR OUTPATIENT HEALTH SERVICES INCLUDING EMERGENCY AND TRAUMA - OBSERVATION, SPECIALTY CLINIC, ONCOLOGY, PHYSICAL THERAPY, DURABLE MEDICAL EQUIPMENT, RESPIRATORY THERAPY, AND REGIONAL BLOOD BANK TOTALED \$629,286 COMMUNITY HEALTH IMPROVEMENT SERVICES - \$29,072 NEARLY 2,500 PEOPLE BENEFITED FROM THE FOLLOWING PROGRAMS OR ACTIVITIES WHICH WERE CARRIED OUT AND SUPPORTED BY WESTFIELDS IN 2011 FOR THE EXPRESS PURPOSE OF IMPROVING COMMUNITY HEALTH - COMMUNITY HEALTH EDUCATION (\$26,248) APPROXIMATELY 2,400 PEOPLE ATTENDED EDUCATIONAL PROGRAMS, CLASSES, SPECIAL EVENTS, HEALTH FAIRS AND SUPPORT GROUPS HOSTED BY MEDICAL AND CLINIC STAFF AND CAMPUS PARTNERS OR WERE HOSPITAL FITNESS CENTER MEMBERS (1 1 EDUCATION AND FITNESS TRAINING) TOTAL COMMUNITY HEALTH EDUCATION EXPENSES TOTALED \$26,248 CLASSES INCLUDED BREASTFEEDING, FAMILY/PARENTING/SIBLING EDUCATION, DIABETES, NUTRITION AND WEIGHT MANAGEMENT, SCHOOL BASED HEALTH EDUCATION, WORKSITE HEALTH EDUCATION, WOMEN'S HEALTH TOPICS, AND SENIOR CARE IN ADDITION, NEARLY 600 PEOPLE ATTENDED SUPPORT GROUPS HELD FOR THE BROADER COMMUNITY ON BREASTFEEDING, CANCER, DIABETES, NUTRITION AND WEIGHT MANAGEMENT, CAREGIVERS, SMOKING CESSATION, AND TRAUMATIC BRAIN INJURY - COMMUNITY BASED CLINICAL SERVICES (\$293) WESTFIELDS HOSTED A BLOOD DRIVE IN SUPPORT OF THE AMERICAN RED CROSS, OFFERED A FREE DIABETES SCREENING, AND AN IMMUNIZATION/FLU SHOT CLINIC AT A COST OF \$293 - HEALTH CARE SUPPORT SERVICES (\$2,531) IN 2011, 86 PEOPLE REALIZED THE BENEFIT OF HEALTH CARE SUPPORT SERVICES AVAILABLE INCLUDING THE LIFELINE HOME MONITORING SYSTEM, ENROLLMENT ASSISTANCE, AND INFORMATION AND REFERRAL SERVICES PROVIDED TO HELP SECURE A PAYMENT SOURCE OR ACCESS SERVICES BEYOND MEDICAL CARE FOR UNINSURED AND UNDERINSURED PATIENTS COMMUNITY BENEFIT OPERATIONS - \$6,661 COSTS ASSOCIATED WITH DEDICATED STAFF, PROGRAM OPERATIONS, RESOURCE EXPENSES, WHA SURVEY COMPLETION, HEALTHIER TOGETHER PARTICIPATION AND NEEDS ASSESSMENT EXPENSES TOTALED \$6,661 HEALTH PROFESSIONS EDUCATION - \$14,405 WESTFIELDS' STAFF PROVIDED CLINICAL TRAINING FOR 96 NURSES AND NURSING STUDENTS AND 6 HEALTH PROFESSIONALS FROM FIVE INSTITUTIONS AT A COST OF \$14,405 CASH DONATIONS & GRANTS - \$24,058 WESTFIELDS DONATIONS AND GRANTS TO COMMUNITY ORGANIZATIONS IN SUPPORT OF HEALTH CAREERS EDUCATION AND COMMUNITY BUILDING EFFORTS TO IMPROVE THE HEALTH AND WELL-BEING OF THE COMMUNITY AT LARGE TOTALED \$24,058 IN 2011 CONTRIBUTIONS WERE MADE TO THE CENTRE, RELAY FOR LIFE SPONSORSHIP, ALZHEIMER'S WALK, HEART WALK, AND MANY MORE IN-KIND DONATIONS - \$54,628 IN-KIND DONATIONS IN 2011 CONSISTED OF ADMINISTRATIVE SUPPORT FOR NOT-FOR-PROFIT GROUPS, EQUIPMENT DONATIONS, AND MEALS ON WHEELS PROGRAM PROVIDED TO PATIENT FAMILIES AND COMMUNITY MEMBERS TOTALING \$54,628 COMMUNITY-BUILDING ACTIVITIES - \$12,585 AS WESTFIELDS SUPPORTS INDIVIDUALS, ORGANIZATIONS, EVENTS AND PROGRAMS, IT LIVES OUT ITS COMMITMENT TO IMPROVE THE HEALTH OF THE COMMUNITY KNOWING MUCH MORE CAN BE ACCOMPLISHED TOGETHER, WESTFIELDS COMMUNITY BENEFIT PROGRAM STRIVES TO MAKE VALUABLE CONNECTIONS WITH INDIVIDUALS AND ORGANIZATIONS FROM PUBLIC, PRIVATE AND NONPROFIT SECTORS TO SHARE SKILLS AND ASSETS WESTFIELDS PARTICIPATED IN COMMUNITY-BUILDING ACTIVITIES THAT SUPPORTED ECONOMIC DEVELOPMENT TO IMPROVE THE BUSINESS CLIMATE IN THE REGION, EMERGENCY PREPAREDNESS AND YOUTH ASSET DEVELOPMENT INCLUDING DRUG AND SAFETY PREVENTION, LEADERSHIP DEVELOPMENT/CONFLICT RESOLUTION, HEALTH IMPROVEMENT ADVOCACY, WORKFORCE DEVELOPMENT, AND COALITION BUILDING TO PROVIDE LEADERSHIP AND IN-KIND SUPPORT FOR HEALTHIER TOGETHER - ST CROIX COUNTY, THE CENTRE WELLNESS FACILITY, AND LOCAL COMMUNITY HEALTH ADDITIONAL PROGRAMS/ACTIVITIES INCLUDED WEST CENTRAL REGIONAL TRAUMA ADVISORY COUNCIL (RTAC), NEW RICHMOND CHAMBER, VISION 2020 COMMUNITY GROUP, AND THE LEADERSHIP TRUST INITIATIVE - A PROGRAM DEDICATED TO PROMOTING AND DEVELOPING DYNAMIC BUSINESS AND COMMUNITY LEADERS COMMUNITY BENEFIT STORY WESTFIELDS "TELLS ITS STORY" ANNUALLY WITH RELEASE OF CONTRIBUTION INFORMATION AND LIFE-CHANGING STORIES FROM COMMUNITY MEMBERS INCLUDED IN THE COMMUNITY NEWSLETTER AND POSTED TO WESTFIELDS' WEBSITE</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	RH WISCONSIN, INC IS THE CLASS A MEMBER AND GROUP HEALTH PLAN, INC IS THE CLASS B MEMBER OF WESTFIELDS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE CLASS A MEMBER (RH WISCONSIN, INC) APPOINTS THREE DIRECTORS TO REPRESENT THE CLASS A MEMBER THE CLASS B MEMBER (GROUP HEALTH PLAN, INC) APPOINTS TWO DIRECTORS TO REPRESENT THE CLASS B MEMBER TWO HEALTH CARE PROVIDERS ARE NOMINATED AS DIRECTORS BY AN UNRELATED MEDICAL GROUP AND APPOINTED BY MAJORITY VOTE OF THE FULL BOARD EIGHT COMMUNITY REPRESENTATIVES ARE APPOINTED AS DIRECTORS BY THE CLASS A MEMBER UPON RECOMMENDATION BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	THE CLASS A AND CLASS B MEMBERS (RH WISCONSIN, INC AND GROUP HEALTH PLAN, INC RESPECTIVELY) BOTH MUST APPROVE THE DECISIONS OF THE BOARD OF DIRECTORS AS FOLLOWS - AMENDMENT OF ARTICLES OR BYLAWS IMPACTING MEMBERSHIP - RESIGNATION OF A MEMBER - DISSOLUTION - ANY CHANGE IN THE FUNDAMENTAL NATURE OR PURPOSE - MERGER OR CONSOLIDATION WITH ANOTHER CORPORATION - DISPOSITION OF SUBSTANTIALLY ALL ASSETS ONLY THE CLASS A MEMBER MUST APPROVE THE DECISIONS OF THE BOARD OF DIRECTORS AS FOLLOWS - AMENDMENT OF ARTICLES OR BYLAWS NOT IMPACTING MEMBERSHIP - ANNUAL OPERATING AND CAPITAL BUDGETS AND STRATEGIC PLANS - ESTABLISHMENT OF NEW ENTITIES OR SIGNIFICANT RELATIONSHIPS WITH OTHER ENTITIES - UNBUDGETED EXPENDITURES IN EXCESS OF AMOUNTS ESTABLISHED BY THE MEMBER - GUARANTEEING THE DEBT OF ANY OTHER PERSON OR ENTITY - A LOAN OR OTHER INDEBTEDNESS IN EXCESS OF AMOUNTS ESTABLISHED BY THE MEMBER - TRANSFER OF ASSETS TO ANOTHER ENTITY - APPOINTMENT OF AUDITORS - APPOINTMENT OF THE PRESIDENT AND THE BOARD CHAIR

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	WESTFIELDS' 990 RETURN HAS A COMPREHENSIVE REVIEW PROCESS THAT IS FOLLOWED BEFORE IT IS PRESENTED TO THE GOVERNING BODY OF WESTFIELDS. THE REVIEW PROCESS INCLUDES A LAYERED REVIEW BY THE TAX DEPARTMENT OF GROUP HEALTH PLAN, INC (GHI), THE MANAGEMENT TEAM OF WESTFIELDS, GHI'S INTERNAL LEGAL DEPARTMENT AND WESTFIELDS' OUTSIDE INDEPENDENT ACCOUNTANTS. EACH ONE OF THOSE AREAS HAS AN OPPORTUNITY TO REVIEW, ASK QUESTIONS AND MAKE COMMENTS BACK TO THE TAX DEPARTMENT OF GHI BEFORE THE FORM 990 IS COMPLETED AND PRESENTED TO THE GOVERNING BODY OF WESTFIELDS. ONCE THAT REVIEW PROCESS HAS BEEN COMPLETED, IT IS THE POLICY OF WESTFIELDS TO MAKE AVAILABLE TO THE BOARD OF DIRECTORS OF WESTFIELDS A COPY OF THE 990 PRIOR TO THE FILING OF THE 990 RETURN. THIS COPY WILL BE PROVIDED IN THE BOARD PACKET OF A BOARD MEETING PRIOR TO THE FILING OF THE 990 AND WILL BE AN AGENDA ITEM AT A BOARD MEETING. THIS PROCESS WILL BE NOTED AND DOCUMENTED IN THE WRITTEN BOARD MINUTES OF THE MEETING.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	WESTFIELDS MONITORS POTENTIAL CONFLICTS OF INTEREST ON THE PART OF ITS BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES BY MAINTAINING A CONFLICT OF INTEREST POLICY UNDER THE POLICY, ALL BOARD MEMBERS, PRINCIPAL OFFICERS, MEMBERS WITH BOARD DELEGATED POWERS AND KEY EMPLOYEES ARE PROVIDED ANNUALLY WITH A COPY OF THE POLICY AND ARE REQUIRED TO COMPLETE A QUESTIONNAIRE IDENTIFYING ANY POTENTIAL CONFLICTS OF INTEREST THE FULL BOARD IS ADVISED OF ANY POTENTIAL CONFLICTS AND THE PROCESS TO BE FOLLOWED IN RESOLVING THE CONFLICT AS RECOMMENDED BY THE CHAIR, CEO AND GENERAL COUNSEL BOARD AGENDAS AND EXECUTIVE DECISIONS ARE MONITORED IN RELATION TO THIS POLICY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE CHIEF EXECUTIVE OFFICER (CEO) OF WESTFIELDS IS EMPLOYED BY REGIONS HOSPITAL, A RELATED ORGANIZATION THE CHIEF FINANCIAL OFFICER (CFO) OF WESTFIELDS, IS EMPLOYED BY GROUP HEALTH PLAN, INC , A RELATED ORGANIZATION BOTH REGIONS HOSPITAL AND GROUP HEALTH PLAN, INC HAVE ANNUAL PROCESSES TO REVIEW THE MARKET COMPARABILITY OF THE TOTAL COMPENSATION PAID TO WESTFIELDS' CEO AND CFO, RESPECTIVELY EACH YEAR, UNDER THE DIRECTION OF EACH ORGANIZATION'S COMPENSATION COMMITTEE EACH ORGANIZATION COMPLETES AN ANNUAL TOTAL COMPENSATION MARKET REVIEW THE REVIEW INCLUDES ALL COMPONENTS OF COMPENSATION, BASE SALARY , ANNUAL INCENTIVES, BENEFITS AND PERQUISITES THE MARKET SURVEY RESULTS ARE PRESENTED TO, REVIEWED BY AND APPROVED BY THE COMPENSATION COMMITTEE OF EACH ORGANIZATION REGIONS HOSPITAL AND GROUP HEALTH PLAN, INC COMPENSATION COMMITTEES' MARKET REVIEW PROCESSES AND SUBSEQUENT DECISIONS INCLUDE THE FOLLOWING ELEMENTS - INDEPENDENT BODY - COMMITTEE MEMBERS COMPLETE AN ANNUAL CONFLICT OF INTEREST SURVEY TO ASSURE THE COMMITTEE MEMBERS' INDEPENDENCE - STAFF IS NOT IN ROOM DURING DELIBERATIONS OR VOTE INCLUDING EXECUTIVE SESSIONS - AUTHORIZED BODY - BOARD OF DIRECTORS HAS DELEGATED TO THE COMPENSATION COMMITTEE THE ACCOUNTABILITY AND AUTHORITY TO REVIEW AND APPROVE THE COMPARABILITY DATA OF ALL OFFICERS - THE BOARD OF DIRECTORS HAS DELEGATED TO THE COMPENSATION COMMITTEE THE ACCOUNTABILITY TO CONDUCT AN ANNUAL PERFORMANCE EVALUATION AND TO DETERMINE THE COMPENSATION OF THE CEO BASED ON THE PERFORMANCE REVIEW AND THE MARKET COMPARABILITY DATA - THE BOARD HAD DELEGATED TO THE CEO (WITH AUTHORITY TO FURTHER DELEGATE) THE ACCOUNTABILITY TO CONDUCT ANNUAL PERFORMANCE REVIEWS AND DETERMINE THE COMPENSATION OF ALL OTHER OFFICERS WITHIN THE COMPENSATION RANGES DETERMINED BY THE COMPENSATION COMMITTEE ANY EXCEPTIONS NEED TO BE APPROVED BY THE COMPENSATION COMMITTEE - COMPARABILITY DATA - EVERY THREE YEARS, THE COMPENSATION COMMITTEE RETAINS AN INDEPENDENT COMPENSATION EXPERT TO CONDUCT AN EXTENSIVE MARKET COMPARABILITY SURVEY FOR ALL OFFICERS OF THE ORGANIZATION WITH THE INPUT OF THE CONSULTANT, THE COMPENSATION COMMITTEE DETERMINED APPROPRIATE PEER GROUPS INCLUDING BOTH LOCAL AND NATIONAL PEER GROUPS THE SURVEY CONSIDERS EACH ELEMENT OF TOTAL COMPENSATION AND AGGREGATE TOTAL COMPENSATION BASED ON THIS DATA, THE COMPENSATION COMMITTEE DETERMINES MINIMUM AND MAXIMUM TOTAL COMPENSATION RANGES FOR EACH OFFICER IN INTERIM YEARS, EACH COMPANY'S HR DEPARTMENT, UNDER THE COMPENSATION COMMITTEE'S DIRECTION USES THE SAME RECOGNIZED THIRD PARTY SALARY SURVEYS TO DETERMINE MEDIAN SALARY STRUCTURE CHANGES AND AVERAGE SALARY INCREASES BASED ON THIS UPDATED DATA, THE COMMITTEE DETERMINES THE TOTAL COMPENSATION RANGES FOR EACH OFFICER - THE ELEMENTS OF TOTAL COMPENSATION ARE SALARY, INCENTIVES, BENEFITS AND PERQUISITES - PROPER CONTEMPORANEOUS DOCUMENTATION - MINUTES OF THE COMPENSATION COMMITTEE ARE PREPARED AFTER EACH MEETING AND APPROVED AT THE NEXT MEETING - TOTAL COMPENSATION IS APPROPRIATELY REPORTED ON THE FORM 990 AND ON THE EMPLOYEE'S W-2</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	WESTFIELDS' FINANCIAL STATEMENTS AND 990 RETURNS ARE MADE AVAILABLE TO ANY PERSON WHO REQUESTS THE INFORMATION FROM WESTFIELDS OR HEALTHPARTNERS, INC

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK - RELATED ORGANIZATIONS	FORM 990, PART VIII, SECTION A, LINE 1A, COLUMN (B)	DIRECTORS AND OFFICERS OF WESTFIELDS ARE EMPLOYED AND COMPENSATED BY GROUP HEALTH PLAN, INC , REGIONS HOSPITAL OR WESTFIELDS. REPORTED AVERAGE HOURS WORKED ARE BASED ON THEIR TOTAL COMPENSATION FROM ALL RELATED ORGANIZATIONS.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	FASB 124 - FAIR MARKET VALUATION ADJUSTMENT -107,211 TOTAL TO FORM 990, PART XI, LINE 5 -107,211

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
WESTFIELDS HOSPITAL INC

Employer identification number
39-0808442

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) HEALTHPARTNERS ADMINISTRATORS INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1629390	THIRD PARTY ADMINISTRATOR	MN	HEALTHPARTNERS INC	C			
(2) HEALTHPARTNERS ASSOCIATES INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 52-2365151	MEDICAL CLINIC STAFFING AND ASSET MANAGEMENT	MN	HEALTHPARTNERS ADMINISTRATORS INC	C			
(3) HEALTHPARTNERS SERVICES INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1683568	MEDICAL CLINIC STAFFING AND ASSET MANAGEMENT	MN	HEALTHPARTNERS ADMINISTRATORS INC	C			
(4) HEALTHPARTNERS VENTURES INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1838197	DEVELOP HEALTHCARE BUSINESS OPPORTUNITIES	MN	HEALTHPARTNERS INC	C			
(5) HEALTHPARTNERS INSURANCE COMPANY 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1683523	MEDICAL AND DENTAL INSURANCE	MN	HEALTHPARTNERS ADMINISTRATORS INC	C			
(6) DENTAL SPECIALTIES INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 45-1297583	PROFESSIONAL DENTAL SERVICES	MN	HEALTHPARTNERS ADMINISTRATORS INC	C			

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m	Yes	
1n	Yes	
1o	Yes	
1p		No
1q		No
1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) WESTFIELDS HOSPITAL FOUNDATION INC - NET ASSET TRANSFER	R		
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier**Return Reference****Explanation****Schedule R (Form 990) 2011**

Software ID:
Software Version:
EIN: 39-0808442
Name: WESTFIELDS HOSPITAL INC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
HEALTHPARTNERS INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1693838	HYBRID STAFF MODEL/NETWORK MODEL HEALTH MAINTENANCE ORGANIZATION	MN	501(C)(4)		N/A		No
GROUP HEALTH PLAN INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-0797853	STAFF MODEL HEALTH MAINTENANCE ORGANIZATION	MN	501(C)(3)	170(B)(1)(A)(III)	HEALTHPARTNERS INC		No
HPI RAMSEY 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1793333	CORPORATE PLANNING AND OVERSIGHT	MN	501(C)(3)	509(A)(3) TYPE I	HEALTHPARTNERS INC		No
RH WISCONSIN INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 20-2287016	CORPORATE PLANNING AND OVERSIGHT	WI	501(C)(3)	509(A)(3) TYPE II	HPI-RAMSEY		No
WESTFIELDS HOSPITAL FOUNDATION INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 39-1770913	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	WI	501(C)(3)	509(A)(3) TYPE I	N/A		No
HEALTHPARTNERS CENTRAL MINNESOTA CLINICS 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1236798	PRIMARY AND SPECIALTY PATIENT CARE	MN	501(C)(3)	170(B)(1)(A)(III)	GROUP HEALTH PLAN INC		No
HEALTHPARTNERS INSTITUTE FOR MEDICAL EDUCATION 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1835843	MEDICAL EDUCATION	MN	501(C)(3)	509(A)(3) TYPE I	HEALTHPARTNERS INC		No
HEALTHPARTNERS RESEARCH FOUNDATION 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1670163	HEALTHCARE RESEARCH	MN	501(C)(3)	509(A)(3) TYPE I	GROUP HEALTH PLAN INC		No
CAPITAL VIEW TRANSITIONAL CARE CENTER 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-2011453	POST HOSPITALIZATION PATIENT CARE	MN	501(C)(3)	170(B)(1)(A)(III)	HPI - RAMSEY		No
RAMSEY INTEGRATED HEALTH SERVICES 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1503090	IN-HOME PATIENT CARE	MN	501(C)(3)	509(A)(2)	HPI - RAMSEY		No
REGIONS HOSPITAL 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-0956618	HOSPITAL	MN	501(C)(3)	170(B)(1)(A)(III)	HPI - RAMSEY		No
REGIONS HOSPITAL FOUNDATION 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1888902	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	MN	501(C)(3)	170(B)(1)(A)(VI)	HPI - RAMSEY		No
RHSC INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1891928	HEALTHCARE STAFFING	MN	501(C)(3)	509(A)(3) TYPE II	HEALTHPARTNERS INC		No
PHYSICIANS NECK & BACK CLINICS 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 27-0684883	SPECIALTY PATIENT CARE	MN	501(C)(3)	509(A)(3) TYPE II	GROUP HEALTH PLAN INC		No
HUDSON HOSPITAL INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 39-0804125	HOSPITAL	WI	501(C)(3)	170(B)(1)(A)(III)	RH-WISCONSIN		No
HUDSON HOSPITAL FOUNDATION INC 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 39-1279567	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	WI	501(C)(3)	170(B)(1)(A)(VI)	HUDSON HOSPITAL INC		No
WESTERN WISCONSIN EMERGENCY MEDICAL SERVICES COMPANY 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 26-3616590	PROVIDE MEDICAL TRANSPORT SERVICES	WI	501(C)(3)	509(A)(3) TYPE II	RH-WISCONSIN		No
LAKEVIEW MEMORIAL HOSPITAL FOUNDATION 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 41-1386635	PROVIDE HOSPITAL PROGRAM FINANCIAL SUPPORT	MN	501(C)(3)	509(A)(3) TYPE II	STILLWATER HEALTH SYSTEM		No
LAKEVIEW MEMORIAL HOSPITAL ASSOCIATION INC 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-0811697	HOSPITAL	MN	501(C)(3)	170(B)(1)(A)(III)	STILLWATER HEALTH SYSTEM		No
ST CROIX VALLEY HEALTHCARE & RESEARCH FOUNDATION 8170 33RD AVE S PO BOX 1309 MPLS, MN 554401309 41-1923524	FOUNDATION	MN	501(C)(3)	PF	STILLWATER HEALTH SYSTEM		No

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
STILLWATER MEDICAL GROUP 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 83-0379473	PHYSICIANS GROUP	MN	501(C)(3)	509(A)(2)	STILLWATER HEALTH SYSTEM		No
STILLWATER HEALTH SYSTEM 8170 33RD AVENUE SOUTH PO BOX 1309 MINNEAPOLIS, MN 554401309 30-0221189	CORPORATE PLANNING AND OVERSIGHT	MN	501(C)(3)	509(A)(3) TYPE II	HPI - RAMSEY		No

Form **4562**

**Depreciation and Amortization
(Including Information on Listed Property)**

OMB No 1545-0172
2011
Attachment
Sequence No **179**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return WESTFIELDS HOSPITAL INC	Business or activity to which this form relates FORM 990 PAGE 10	Identifying number 39-0808442
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Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	1,499,484

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2011	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	1,499,484
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation/deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use
27 Property used 50% or less in a qualified business use
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)
31 Total commuting miles driven during the year
32 Total other personal(noncommuting) miles driven
33 Total miles driven during the year Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours?
35 Was the vehicle used primarily by a more than 5% owner or related person?
36 Is another vehicle available for personal use?
(a) Vehicle 1 (b) Vehicle 2 (c) Vehicle 3 (d) Vehicle 4 (e) Vehicle 5 (f) Vehicle 6
Yes No Yes No Yes No Yes No Yes No Yes No

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions)
43 Amortization of costs that began before your 2011 tax year 43
44 Total. Add amounts in column (f) See the instructions for where to report 44

Additional Data

Software ID:

Software Version:

EIN: 39-0808442

Name: WESTFIELDS HOSPITAL INC

Form 990, Special Condition Description:

Special Condition Description



HEALTHPARTNERS, INC.

Consolidated Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

HEALTHPARTNERS, INC.

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KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Finance and Audit Committee
HealthPartners, Inc
Bloomington, Minnesota

We have audited the accompanying consolidated statements of financial position of HealthPartners, Inc and subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of HealthPartners, Inc and subsidiaries at December 31, 2011 and 2010, and the consolidated results of their activities and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2012 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG LLP

March 29, 2012

HEALTHPARTNERS, INC.
Consolidated Statements of Financial Position
December 31, 2011 and 2010
(In thousands)

Assets	2011	2010
Current assets		
Cash and cash equivalents	\$ 379.138	327.105
Investments, at fair value	648.655	486.663
Accounts receivable, net	266.539	225.784
Other current assets	54.040	35.351
Total current assets	<u>1,348.372</u>	<u>1,074.903</u>
Investments whose use is limited, at fair value	85.945	84.524
Other investments, at fair value	234.051	158.236
Property, plant, and equipment, net	540.104	500.700
Deferred compensation	46.741	45.692
Goodwill and other intangible assets	19.428	15.990
Other	15.148	12.955
Total assets	<u>\$ 2,289.789</u>	<u>1,893.000</u>
Liabilities and Net Assets		
Current liabilities		
Unpaid medical claims	\$ 178.692	179.940
Accounts payable	268.481	239.778
Provider payable	38.358	20.609
Salaries and employee benefits payable	129.794	111.620
Accrued real estate taxes, income taxes, and interest	4.518	4.901
Deferred revenue	40.938	42.907
Current portion of long-term debt	9.586	8.790
Total current liabilities	<u>670.367</u>	<u>608.545</u>
Long-term debt – less current portion	341.494	322.898
Deferred employee benefits	104.277	75.801
Postretirement benefit obligation	18.083	19.398
Other	59.231	66.258
Total liabilities	<u>1,193.452</u>	<u>1,092.900</u>
Net assets		
Unrestricted	1,080.331	785.732
Temporarily restricted	15.313	13.694
Permanently restricted	693	674
Total net assets	<u>1,096.337</u>	<u>800.100</u>
Total liabilities and net assets	<u>\$ 2,289.789</u>	<u>1,893.000</u>

See accompanying notes to consolidated financial statements

HEALTHPARTNERS, INC.
Consolidated Statements of Activities
Years ended December 31, 2011 and 2010
(In thousands)

	<u>2011</u>	<u>2010</u>
Revenue		
Premiums earned	\$ 2,593,117	2,496,502
Net health service revenue	1,080,246	891,122
Other revenue	167,522	168,619
Investment income and net realized gains (losses)		
Other-than-temporary impairments on securities with credit losses	—	(343)
Other investment income and net realized gains	18,543	21,815
Total investment income and net realized gains	<u>18,543</u>	<u>21,472</u>
Total revenue	<u>3,859,428</u>	<u>3,577,715</u>
Expenses		
Health services		
Salaries and employee benefits	851,499	756,029
Health services purchased		
Professional	864,947	817,183
Hospitalization	719,473	753,359
Pharmacy	382,780	379,924
Supplies and other	277,486	253,654
Depreciation	64,879	59,919
Interest	17,140	18,746
Total health services	<u>3,178,204</u>	<u>3,038,814</u>
Administrative services		
Salaries and employee benefits	122,819	112,067
Supplies and other	200,384	172,893
Depreciation	14,869	15,659
Interest	1,116	116
Total administrative services	<u>339,188</u>	<u>300,735</u>
Health services taxes and assessments		
MCHA assessments	48,493	43,603
Medical care surcharge	14,962	13,896
Premium tax	30,646	27,776
Income and other taxes	28,366	14,537
Total health services taxes and assessments	<u>122,467</u>	<u>99,812</u>
Total expenses	<u>3,639,859</u>	<u>3,439,361</u>
Operating income	219,569	138,354
Contribution received from Lakeview Health affiliation	119,037	—
Excess revenues and contribution over expenses	338,606	138,354
Recognition of change in pension and postretirement funded status	(37,764)	257
Change in net unrealized gains on investments	(4,605)	7,828
Increase in net assets	<u>296,237</u>	<u>146,439</u>
Net assets – beginning of year	<u>800,100</u>	<u>653,661</u>
Net assets – end of year	<u>\$ 1,096,337</u>	<u>800,100</u>

See accompanying notes to consolidated financial statements

HEALTHPARTNERS, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows provided by operating activities		
Increase in net assets	\$ 296,237	146,439
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contribution received from Lakeview Health affiliation	(119,037)	—
Change in net realized and unrealized losses (gain) on investments	4,605	(7,828)
Change in pension and postretirement funded status	37,764	(257)
(Gain) loss on sale of property, plant, and equipment	(329)	1,004
Depreciation	80,077	74,574
Decrease (increase) in		
Accounts receivable	(27,839)	13,838
Other current assets	(15,040)	(3,005)
Deferred compensation	(371)	(5,554)
Goodwill and other intangible assets	(3,438)	(106)
Other assets	1,944	(3,024)
(Decrease) increase in		
Unpaid medical claims	(1,248)	17,094
Accounts payable	25,639	39,943
Provider payable	17,749	(3,694)
Accrued expenses	9,692	6,684
Deferred revenue	(1,969)	(177)
Deferred employee benefits and postretirement benefit obligation	(21,718)	(535)
Other liabilities	(8,491)	15,742
Net cash provided by operating activities	<u>274,227</u>	<u>291,138</u>
Cash flows used in investing activities		
Contribution of cash from Lakeview Health affiliation	22,682	—
Purchases of investments	(438,620)	(399,249)
Sale of investments	273,000	336,274
Purchases of other investments	(3,218)	(48,525)
Sales of other investments	4,056	9,992
Purchases of property, plant, and equipment	(71,206)	(57,346)
Purchases of investments whose use is limited	(42,285)	(21,497)
Sales of investments whose use is limited	42,849	20,730
Net cash used in investing activities	<u>(212,742)</u>	<u>(159,621)</u>
Cash flows used in financing activities		
Payments on long-term debt	(9,452)	(9,872)
Net cash used in financing activities	<u>(9,452)</u>	<u>(9,872)</u>
Increase in cash and cash equivalents	52,033	121,645
Cash and cash equivalents – beginning of year	<u>327,105</u>	<u>205,460</u>
Cash and cash equivalents – end of year	\$ <u>379,138</u>	\$ <u>327,105</u>
Supplemental cash flow information		
Cash paid for interest	\$ 18,195	17,603
Supplemental disclosure of noncash investing activities		
Additions of property, plant, and equipment funded through accounts payable	\$ 3,284	745

See accompanying notes to consolidated financial statements

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

HealthPartners, Inc. and subsidiaries (HP) is a healthcare delivery system that provides healthcare services and coverage to approximately 833,000 members throughout Minnesota and surrounding states. It provides these services through a network of owned and contracted medical and dental centers, physician groups, hospitals, and related healthcare providers located primarily in the Twin Cities and Western Wisconsin areas.

The consolidated financial statements of HP include the following organizations:

Group Health Plan, Inc. (GHI)
HealthPartners, Inc. (HPI)
HealthPartners Insurance Company (HPIC)
HealthPartners Administrators, Inc. (HPAI)
Regions Hospital (Regions)
Stillwater Health System (Lakeview Health)
Hudson Hospital (HH)
Hudson Hospital Foundation (HHF)
Westfields Hospital (WH)
Westfields Hospital Foundation (WHF)
HealthPartners Central Minnesota Clinics, Inc. (HPCMC)
Physicians Neck & Back Clinics, Inc. (PNBC)
Ramsey Integrated Health Services (IHS)
Capital View Transitional Care Center (CVTCC)
Dental Specialties, Inc. (DSI)
Western Wisconsin Emergency Medical Services Company (WEMS)
HPI-Ramsey
RH-Wisconsin, Inc. (RHW)
RHSC, Inc. (RHSC)
HealthPartners Services, Inc. (HPSI)
HealthPartners Associates, Inc. (HPA)
HealthPartners East Side Holding, LLC (HESH)
HealthPartners Ventures, Inc. (HPV)
HealthPartners Institute for Medical Education (IME)
HealthPartners Research Foundation (HPRF)
Regions Hospital Foundation (RHF)

GHI and HPI are not-for-profit corporations licensed as health maintenance organizations (HMO) in Minnesota.

GHI, Regions, Lakeview Health, HH, HHF, WH, WHF, HPCMC, PNBC, IHS, CVTCC, WEMS, HPI-Ramsey, RHW, RHSC, IME, HPRF, and RHF are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (IRC). HPI is exempt under Section 501(c)(4) of the

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

IRC HESH is a limited liability corporation. All other organizations are for-profit taxable organizations.

HPI-Ramsey is the parent organization of Regions, Lakeview Health, IHS, CVTCC, RHF, and RHW.

RHW is the parent organization of HH, HHF, WH, WHF, and WEMS.

On April 1, 2011, HPI entered into a Membership Transfer Agreement with Lakeview Memorial Hospital Association, Inc. (LMHA), Lakeview Memorial Hospital Foundation (LMHF), Stillwater Medical Group (SMG), and St. Croix Valley Research Foundation (SCVRF) collectively Lakeview Health. LMHA is a not-for-profit 97 bed acute care hospital located in Stillwater, Minnesota. LMHF provides financial support and assistance to Stillwater area health facilities, community health education programs, education activities of students in healthcare fields, and for such other charitable purposes as determined by LMHF board of directors. SMG is a not-for-profit multi-specialty physician group with multiple locations in Minnesota and Wisconsin. SCVRF was established to provide financial support and assistance to community health education programs. The Agreement, which became effective April 1, 2011, transferred the Membership Interest of Lakeview Health to HPI. HP has included the operations of Lakeview Health in its consolidated statements of financial position and consolidated statement of activities since April 1, 2011.

This transaction has been accounted for as an acquisition under Accounting Standards Codification (ASC) Subtopic 958-805, *Not-for Profit Entities – Business Combinations*. No consideration was paid by HPI to acquire the net assets of Lakeview Health. The affiliation resulted in an excess of assets acquired over liabilities assumed, or an inherent contribution of Lakeview Health to HPI of \$119,037 and is included in excess revenues and contributions over expenses in the consolidated statement of activities.

The following table summarizes the fair value estimates of Lakeview Health assets acquired and liabilities assumed as of April 1, 2011.

Tangible assets acquired	\$	169,086
Intangible assets acquired		2,537
Liabilities assumed		<u>(52,586)</u>
Total identifiable net assets assumed/inherent contribution	\$	<u><u>119,037</u></u>

As part of the accounting for the transaction, HPI chose to push down the fair value adjustments to the assets and liabilities to the entities that generated the adjustments. This push down resulted in a change on the stand-alone statement of activities of Lakeview Health for the fair value adjustment of certain system assets and liabilities of \$9,463.

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

The following are the financial results of Lakeview Health included in HP's 2011 consolidated statement of activities during the nine-month period from the date of the affiliation through December 31, 2011

Total revenue	\$	101,531
Total expenses		98,235
Operating income		3,296

(b) Basis of Accounting

The consolidated financial statements are prepared in conformity with U S generally accepted accounting principles (GAAP) All significant intercompany balances and transactions have been eliminated in consolidation

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions, such as contractual allowances, allowances for doubtful accounts receivable and charity care, due to third-party payors, postretirement benefit obligation, general and professional liability claims, estimated unpaid medical and dental claims, medical loss ratio rebates, and workers' compensation claims liability, that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

(d) Cash and Cash Equivalents

HP considers investments with a maturity of three months or less to be cash and cash equivalents and are carried at cost, which approximates fair value Cash and cash equivalents held for long-term or restricted as to use are classified as investments and are excluded from cash and cash equivalents

(e) Investments

Investments consist of marketable equity securities and fixed income securities The investments are carried at fair value and are not included as investments whose use is limited or other investments

Fixed maturity securities, which may be sold prior to maturity, are classified as available-for-sale and are carried at fair value Premiums and discounts are amortized or accreted using the interest yield method Interest income is earned on an accrual basis

Marketable equity securities are generally classified as available-for-sale and are carried at fair value HP recognizes dividend income on equity securities upon the declaration of the dividend

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(f) *Investments Whose Use is Limited and Other Investments*

Investments whose use is limited and other investments are not intended to be used for current operations and are, therefore, classified as noncurrent assets and are carried at fair value based on quoted market prices

(g) *Realized and Unrealized Gains and Losses*

Realized and unrealized gains and losses are determined using the specific security identification method. HP regularly reviews each investment in its various asset classes to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value. During these reviews, HP evaluates many factors, including, but not limited to, the length of time and the extent to which the current fair value has been below the cost of the security, specific credit issues such as collateral, financial prospects related to the issuer, HP's intent and ability to hold or sell the security, and current economic conditions.

Other-than-temporary impairment (OTTI) is recognized in earnings for a fixed maturity security in an unrealized loss position when it is anticipated that the amortized cost will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the fixed maturity security's amortized cost and its fair value only when either HP has the intent to sell the fixed maturity security or it is more likely than not that HP will be required to sell the fixed maturity security before recovery of the decline in the fair value below amortized cost. If neither of these two conditions exists, the difference between the amortized cost basis of the fixed maturity security and the present value of the projected future cash flows expected to be collected is recognized as an OTTI in earnings (credit loss). If the fair value is less than the present value of projected future cash flows expected to be collected, this portion of the OTTI related to other-than-credit factors (noncredit loss) is recorded in net assets as changes in net unrealized gains on investments for noncredit losses on investments. When an unrealized loss on a fixed maturity security is considered temporary, HP continues to record the unrealized loss in net assets as changes in net unrealized loss gains on investments and not in earnings. For equity securities which, when an OTTI has occurred, continue to be impaired for the entire difference between the equity security's cost and its fair value with a corresponding charge to earnings.

For nonstructured fixed maturity securities, an OTTI is recorded when HP believes that it is no longer probable that HP will recover all amounts due under the contractual terms of the security.

For structured fixed maturity securities, an OTTI is recorded when HP believes that based on expected future cash flows, HP will not recover all amounts due under the contractual terms of the security. The credit loss component considers inputs from outside sources along with management's opinion of factors to develop inputs into the cash flow analysis. These inputs include, among other things, default assumptions on underlying loans, recovery assumptions once underlying loans are in default and a number of other economic inputs into the model.

For equity securities, an OTTI is recorded when HP does not have the ability and intent to hold the security until forecasted recovery, or if the forecasted recovery is not within a reasonable period.

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

Mutual funds are reviewed by analyzing the characteristics of the underlying investments and the outlook for the asset class along with the ability and intent to hold investments

All other material unrealized losses are reviewed for any unusual event that may trigger an OTTI Determination of the status of each analyzed investment as other-than-temporary or not is made based on these evaluations with documentation of the rationale for the decision

Upon recognizing an OTTI, the new cost basis of the security is the previous amortized cost basis less the OTTI recognized in net realized investment gains. The new cost basis is not adjusted for any subsequent recoveries in fair value.

HP may, from time to time, sell invested assets subsequent to the balance sheet date that were considered temporarily impaired at the balance sheet date for several reasons. Conversely, HP may not sell invested assets that it asserted that it intended to sell at the balance sheet date. The rationale for the change in HP's ability and intent generally focuses on unforeseen changes in the economic facts and circumstances related to the invested asset subsequent to the balance sheet date, significant unforeseen changes in HP's liquidity needs, or changes in tax laws or the regulatory environment. HP had no material sales of invested assets subsequent to December 31, 2011 or 2010.

(h) Other Current Assets

Other current assets include pharmaceutical and medical supplies inventories, which are valued at the lower of average cost or market.

(i) Property, Plant, and Equipment, Net

Property, plant, and equipment, net is recorded at cost, and depreciation is computed on the straight-line method over the estimated useful lives of the related assets as follows:

Land improvements	5 – 40 years
Buildings and building improvements	10 – 40 years
Equipment	3 – 15 years
Leasehold improvements	5 – 15 years

Equipment under capital lease is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation in the consolidated financial statements.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of the underlying asset.

(j) Goodwill and Intangible Assets

Goodwill and intangible assets are assets representing the future economic benefits arising from business acquisitions. Goodwill and intangible assets are reviewed for impairment at least annually in accordance with the provisions of ASC Topic 350, *Intangibles – Goodwill and Other*. Goodwill is

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

analyzed for impairment in a two step process. The first step compares the fair value of the reporting entity with the reporting entities carrying value, including goodwill. If the fair value of the reporting entity exceeds its carrying value, goodwill of the reporting entity is considered not impaired. If the carrying value of the reporting entity exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any, to be recognized. Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting entities goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting entity in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting entity's goodwill. Fair value of the reporting entity is determined using a discounted cash flow analysis. Intangible assets shall be reviewed for impairment and recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. After an impairment loss is recognized, the adjusted carrying amount of the intangible asset shall be its new accounting basis. Intangible assets that are deemed to have a finite useful life are amortized over their lives. HP did not recognize any impairment losses on goodwill or intangible assets in 2011 or 2010.

(k) Impairment of Long-Lived Assets

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets. Should the sum of the related, expected future net cash flows be less than the carrying value, an impairment loss could be recognized dependent upon other considerations. In 2011 and 2010, HP analyzed the carrying value of certain properties where HP determined that a potential impairment could exist. As a result of this analysis, an impairment loss of \$3.325 and \$2.703 was recognized in 2011 and 2010, respectively, and recorded as health services depreciation expense in the consolidated statement of activities.

(l) Deferred Financing Costs

Financing and legal costs incurred in connection with the issuance of long-term debt are amortized over the life of the related indebtedness using the effective-interest method, and are included within other assets on the consolidated statements of financial position.

(m) Unpaid Medical Claims

The liability for unpaid medical claims for medical services purchased are developed using actuarial methods based upon historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of healthcare services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. HP did not change actuarial methods during the years ended December 31, 2011 and 2010. Management believes the amount of unpaid medical claims is adequate to cover HP's liability for unpaid medical claims as of December 31, 2011, however, actual claim payments may differ from those established estimates. Adjustments to unpaid medical claims estimates are reflected in operating results in the period in which the change in estimate is identified. Medical claims also

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

includes the cost to establish new or expanded health care services to assist certain providers who provide acute charity care, safety net care and disproportionate share of charity care services

(n) Provider Payable

HP's contracts with hospitals, specialists, and primary care providers (Providers) include provisions for pay for performance and outcome recognition programs. These programs provide financial incentives to Providers who meet certain healthcare quality and satisfaction performance goals.

(o) Premiums Earned

Premiums earned revenue is recognized in the period for which services are covered. Unearned premiums received in advance of a coverage period are classified as deferred revenue in the consolidated statements of financial position.

Premium contracts are analyzed and losses recognized when it is probable that expected future healthcare costs and maintenance costs under a group of existing contracts exceeds anticipated future premiums and stop-loss insurance recoveries on those contracts. HP did not record a loss contract reserve in 2011 or 2010.

(p) Net Health Service Revenue

Net health service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services in the period for which services are provided, including estimated retroactive adjustments, under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are provided and are adjusted in future periods as new data become available and as final settlements are determined.

The major portion of revenue from Medicare and Medicaid is based on preestablished payment rates based on patient diagnosis or clinical procedure.

HP utilizes a process to identify and appeal certain settlements with Medicare. Reimbursement is adjusted in the year the appeal is finalized. During 2011 and 2010, appeals, cost report settlements, and other adjustments to prior year estimates resulted in a decrease in net health service revenue of \$15 in 2011 and an increase in net health service revenue of \$3.766 in 2010 in the consolidated statements of activities.

Health service revenue at established rates, less third-party payor contractual adjustments, for the years ended December 31, 2011 and 2010, consisted of the following:

	<u>2011</u>	<u>2010</u>
Health service revenue	\$ 2,481,874	2,062,181
Allowances for contractual adjustments	<u>(1,401,628)</u>	<u>(1,171,059)</u>
Net health service revenue	<u>\$ 1,080,246</u>	<u>891,122</u>

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(q) Other Revenue

Other revenue is recognized in the period in which services are rendered and consists primarily of administrative support fees from self-insured employer groups

(r) Uncompensated Care

Certain subsidiaries of HP provide care to patients without regard to the patient's ability to pay. Upon determining that a patient meets the established HP's charity care criteria, the charges for services provided to the patient are determined to qualify as uncompensated care and are not reported as revenue

(s) Expenses

HP allocates certain direct support costs, including information systems and patient billing, to health services expenses in order to accurately reflect the cost of services provided. All allocations are eliminated in consolidation

(t) Income Taxes

HPIC, HPSI, HPA, HPAI, DSI, and HPV (the Taxable Group) are subject to federal and state income taxes. Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting basis of assets and liabilities based on enacted tax rates and laws. The deferred income tax provision or benefit generally reflects the net change in deferred income tax assets and liabilities during the year. The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible on various income tax returns for the year reported.

Deferred tax assets of \$12,753 and \$11,452 have been recorded and included in other current assets in the consolidated statements of financial position at December 31, 2011 and 2010, respectively. Income tax payables of \$0 and \$343 in 2011 and 2010, respectively, and income tax receivables of \$5,935 and \$1,519 in 2011 and 2010, respectively, have been recorded and included in accrued real estate taxes, income taxes, and interest and net accounts receivable in the consolidated statements of financial position at December 31, 2011 and 2010, respectively. Income tax expense of \$18,400 and \$14,649 has been recorded and included in income and other taxes on the consolidated statements of activities for the years ended December 31, 2011 and 2010, respectively.

The Taxable Group is currently under examination of their consolidated tax return by the Internal Revenue Service for the tax year ended December 31, 2009. HP believes that any additional taxes refunded or assessed as a result of this examination will not have a material impact on the financial position of HP or the Taxable Group.

HP's accounting policy provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. HP recorded no liabilities in 2011 or 2010 for unrecognized tax benefits.

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(In thousands)

(u) Risk Management

HP's investments are exposed to various risks, such as interest rate, market, cash flow, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is possible that changes in risks in the near term could materially affect the amounts reported in the accompanying statements of financial position and activities.

HP is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant changes in HP's insurance coverage's from 2010 to 2011.

HP has established reserves for unpaid medical claims based on assumptions concerning a number of factors, including trends in health care costs, expenses, general economic conditions and other factors. To the extent that actual claims experience is less favorable than estimated base on HP's underlying assumptions, HP's incurred losses would increase and future earnings could be adversely affected.

(v) Recent Legislation

In 2009, the Office of the President and the United States Congress proposed significant reforms to the healthcare system, including the Affordable Health Care for America Act and the Patient Protection and Affordable Care Act (collectively referred to as the Acts). The Acts, although being significantly different, include provisions to limit payments to the Medicare Advantage Plans, requiring mandatory insurance coverage, restricting health plans from adjusting premiums based on underlying risks, and providing rebates to enrollees based on medical loss ratio thresholds. In 2011 and into 2012, numerous reform proposals are emerging at the State and Federal levels. Due to the current healthcare transformation taking place in the healthcare system, we are unable to predict the actual outcome of these matters or the impact that future legislation will have on HP's financial results.

(w) Medical Loss Ratio

Beginning in 2011, HP is subject to the minimum Medical Loss Ratio (MLR) rebate requirements of the Affordable Health Care for America Act (Health Care Reform Act). Under the regulations of the Health Care Reform Act, insured plans will be required to make premium rebate payments to its enrollees that are enrolled under certain health insurance policies if a specific minimum annual MLR is not met in the prior year. The required minimum MLR, as defined by the Health Care Reform Act for insured plans is 85% for the large group market and 80% for the individual and small group markets. HP results for 2011 include an estimated \$12,000 of minimum MLR rebates to be paid in 2012 for the large group market which is included in accounts payable in the consolidated statements of financial position.

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Notes to Consolidated Financial Statements

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(In thousands)

(x) *Recent Accounting Pronouncements*

In January 2010, the FASB issued Accounting Standards Update 2010-06 (ASU 2010-06), *Fair Value Measurements and Disclosures (Topic 820) Improving Disclosures about Fair Value Measurements*, which requires new disclosures related to fair value measurements and clarifies existing disclosure requirements about the level of disaggregation, inputs and valuation techniques. Additionally, this guidance requires disclosures about significant transfers between Level 1 and 2 measurement categories and separating the presentation of purchases, sales and settlements. This guidance was effective for periods beginning after December 15, 2009, except for the disclosures regarding the separation of the presentation of purchases, sales and settlements, which is effective for periods beginning after December 15, 2010. ASU 2010-06 was adopted by HP effective January 1, 2010 with the exception of separating the presentation of purchases, sales and settlements. There was no impact to HP's consolidated statements of financial position or statement of activities due to the adoption of this new guidance. The clarification of existing disclosure requirements about the level of disaggregation, inputs and valuation techniques is included in notes 3 and 10. HP adopted the required disclosure provisions of this new guidance relating to the separation of the presentation of purchases, sales and settlements effective January 1, 2011.

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(2) Investments

The composition of the investment portfolios as of December 31, 2011 and 2010 is summarized as follows

	<u>Investments</u>	<u>Investments whose use is limited</u>	<u>Other investments</u>	<u>Total</u>
2011				
Cash equivalents	\$ 20,217	6,603	1,104	27,924
Government agency securities	226,985	17,773	19,399	264,157
Asset-backed securities	53,379	1,779	13,861	69,019
Residential mortgage-backed securities	67,601	5,237	33,938	106,776
Commercial mortgage-backed securities	23,116	1,050	6,687	30,853
Corporate obligations	256,119	39,223	38,592	333,934
Common stocks/mutual funds	1,238	14,280	120,470	135,988
	<u>\$ 648,655</u>	<u>85,945</u>	<u>234,051</u>	<u>968,651</u>
2010				
Cash equivalents	\$ 11,608	6,298	6,879	24,785
Government agency securities	186,061	19,203	30,707	235,971
Asset-backed securities	45,658	1,772	10,390	57,820
Residential mortgage-backed securities	32,448	3,827	22,051	58,326
Commercial mortgage-backed securities	22,585	1,297	5,149	29,031
Corporate obligations	186,983	36,412	34,789	258,184
Common stocks/mutual funds	1,320	15,715	48,271	65,306
	<u>\$ 486,663</u>	<u>84,524</u>	<u>158,236</u>	<u>729,423</u>

Investments whose use is limited consists of long-term professional liability trust funds, debt service reserve funds and the proceeds of the Hospital Facility Revenue Bonds

HEALTHPARTNERS, INC.

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Investment return, net of amounts capitalized, for the years ended December 31, 2011 and 2010, is summarized as follows

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 19,046	18,390
Net realized gains	(503)	3,082
Total investment income	<u>18,543</u>	<u>21,472</u>
Change in net unrealized gains on investments	(4,605)	7,828
Total investment return	<u>\$ 13,938</u>	<u>29,300</u>

HP impairment losses included in investment income and net realized gains in the consolidated statements of activities were as follows

	<u>2011</u>	<u>2010</u>
Asset-backed securities	\$ —	284
Residential mortgage-backed securities	—	9
Corporate obligations	—	50
	<u>\$ —</u>	<u>343</u>

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Gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, including the noncredit portion of OTTI, as of December 31, 2011 and 2010, are as follows

	Less than 12 months		12 months or more		Total	
	Fair market value	Unrealized loss	Fair market value	Unrealized loss	Fair market value	Unrealized loss
2011						
Government agency securities	\$ 85,548	(88)	730	(12)	86,278	(100)
Asset backed securities	29,553	(182)	2,664	(184)	32,217	(366)
Residential mortgage-backed securities	3,098	(379)	2,248	(504)	5,346	(883)
Commercial mortgage-backed securities	5,080	(43)	591	(3)	5,671	(46)
Corporate obligations	59,364	(808)	7,753	(97)	67,117	(905)
Common stocks mutual funds	57,977	(1,394)	8,908	(2,618)	66,885	(4,012)
	<u>\$ 240,620</u>	<u>(2,894)</u>	<u>22,894</u>	<u>(3,418)</u>	<u>263,514</u>	<u>(6,312)</u>
2010						
Government agency securities	\$ 52,474	(255)	2,649	(10)	55,123	(265)
Asset backed securities	18,140	(217)	2,939	(175)	21,079	(392)
Residential mortgage-backed securities	12,911	(194)	3,710	(237)	16,621	(431)
Commercial mortgage-backed securities	4,176	(74)	835	(12)	5,011	(86)
Corporate obligations	72,648	(599)	2,241	(138)	74,889	(737)
	<u>\$ 160,349</u>	<u>(1,339)</u>	<u>12,374</u>	<u>(572)</u>	<u>172,723</u>	<u>(1,911)</u>

Securities in the portfolio are continuously reviewed to determine whether any have become other-than-temporarily impaired. The following table represents the number of HP's securities, by composition, at December 31, 2011 and 2010, whose fair market value was below cost

	2011	2010
Government agency securities	\$ 76	26
Asset-backed securities	136	104
Residential mortgage-backed securities	62	96
Commercial mortgage-backed securities	23	22
Corporate obligations	206	242
Common stock	4	—
	<u>\$ 507</u>	<u>490</u>

(3) Fair Value of Financial Instruments

All financial instruments are carried at fair value, with the exception of revenue bonds and long-term debt, which had a carrying value of \$351.080 and \$331.688, and a fair value of \$343.438 and \$293.938 as of December 31, 2011 and 2010, respectively

HEALTHPARTNERS, INC.

Notes to Consolidated Financial Statements

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(In thousands)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments

(a) Cash and Cash Equivalents

The carrying amount approximates fair value due to the short duration of these financial instruments

(b) Investments, Investments Whose Use is Limited, Deferred Compensation Funds, and Other Investments

The fair values are based on quoted market prices at the reporting date where available. For securities not actively traded, fair value is estimated based on investments with similar interest rates, credit quality, yield, and maturity.

(c) Revenue Bonds and Long-Term Debt

The fair values are estimated based on cash flows, discounted at current rates, for instruments of similar maturities and credit quality, or based on quoted market prices for similar issues, as advised by HP's investment bankers.

HP established a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The determination of the level within the hierarchy is based on the lower level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. The unobservable inputs reflect HP's own assumptions

HP has developed the following guidelines to report investments in the three-level hierarchy established for fair market measurements:

- Level 1 Active Markets
 - Observable and highly liquid securities
 - Vendor based evaluation
 - Last trade price for identical securities
 - Dollar price quotes from broker/dealers for identical securities

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- Level 2 Active but impaired markets
 Quoted prices for similar assets
 Observable inputs other than quoted prices

- Level 3 Illiquid on distressed markets
 Unobservable inputs
 HP designed models to calculate fair value

HP has classified its investments as cash equivalents, government agency securities, asset-backed securities, residential mortgage-backed securities, commercial mortgage-backed securities, corporate obligations, and common stocks/mutual funds

The following is a description of the valuation methodologies used for investments held and carried at fair value

The fair value of equity securities are based on quoted prices from national exchanges. The fair value of fixed maturity securities are based on commonly used third-party pricing services. Mutual funds prices are derived from the underlying security values and are based on quoted prices from national exchanges and commonly used third-party pricing services. HP obtains one price for each security and mutual fund primarily from a national exchange or third-party pricing service, which generally uses Level 1 and Level 2 inputs for the determination of fair value.

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(In thousands)

The following tables present the level within the fair value hierarchy at which HP's invested assets are measured on a recurring basis at December 31, 2011 and 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2011				
Cash equivalents	\$ 27.924	—	—	27.924
Fixed income				
Government agencies	264.157	—	—	264.157
Asset-backed securities	—	69.019	—	69.019
Residential mortgage-backed securities	—	106.776	—	106.776
Commercial mortgage-backed securities	—	30.853	—	30.853
Corporate obligations	—	333.934	—	333.934
Common stock				
Consumer discretionary	3.268	—	—	3.268
Consumer staples	2.076	—	—	2.076
Energy	2.748	—	—	2.748
Financials	3.546	—	—	3.546
Healthcare	3.117	—	—	3.117
Industrials	3.069	—	—	3.069
Information technology	4.802	—	—	4.802
Materials	1.526	—	—	1.526
Telecommunications	616	—	—	616
Utilities	791	—	—	791
Miscellaneous	—	70	—	70
ADR & US held foreign stock	322	—	—	322
Mutual funds				
Fixed income funds	44.261	—	—	44.261
Real estate investment trust funds	913	—	—	913
Managed futures	593	—	—	593
Large cap funds	26.017	—	—	26.017
Mid cap funds	8.487	—	—	8.487
Small cap funds	111	—	—	111
Index funds	16.224	—	—	16.224
Balanced funds	21	—	—	21
International funds	13.410	—	—	13.410
Total investment assets at fair value	\$ <u>427.999</u>	<u>540.652</u>	<u>—</u>	<u>968.651</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2010				
Cash equivalents	\$ 24,785	—	—	24,785
Fixed income				
Government agencies	235,971	—	—	235,971
Asset-backed securities	—	57,820	—	57,820
Residential mortgage-backed securities	—	58,326	—	58,326
Commercial mortgage-backed securities	—	29,031	—	29,031
Corporate obligations	—	258,184	—	258,184
Common stock				
Consumer discretionary	2,080	—	—	2,080
Consumer staples	1,780	—	—	1,780
Energy	2,492	—	—	2,492
Financials	3,029	—	—	3,029
Healthcare	2,357	—	—	2,357
Industrials	2,552	—	—	2,552
Information technology	3,559	—	—	3,559
Materials	1,223	—	—	1,223
Telecommunications	457	—	—	457
Utilities	482	—	—	482
Miscellaneous	—	71	—	71
ADR & US held foreign stock	271	—	—	271
Preferred stock	13	—	—	13
Mutual funds				
Fixed income funds	10,624	—	—	10,624
Real estate investment trust funds	923	—	—	923
Large cap funds	853	—	—	853
Mid cap funds	8,785	—	—	8,785
Small cap funds	111	—	—	111
Index funds	15,898	—	—	15,898
Balanced funds	245	—	—	245
International funds	7,501	—	—	7,501
	<u>325,991</u>	<u>403,432</u>	<u>—</u>	<u>729,423</u>
Total investment assets at fair value	\$ <u>325,991</u>	<u>403,432</u>	<u>—</u>	<u>729,423</u>

HP did not have significant transfers between Levels 1 and 2 during the years ended December 31, 2011 and 2010

HP has no financial assets or liabilities that were measured at fair value on a nonrecurring basis for the years ended December 31, 2011 and 2010

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(4) Accounts Receivable

Accounts receivable at December 31, 2011 and 2010 were as follows

	<u>2011</u>	<u>2010</u>
Health service	\$ 214,573	180,863
Premiums	85,407	88,796
Other	60,232	47,003
Allowance for uncollectible accounts	<u>(93,673)</u>	<u>(90,878)</u>
Total	<u>\$ 266,539</u>	<u>225,784</u>

HP's policy for establishing allowances for uncollectible accounts for health services is to apply past uncollectible experience by payor to current accounts receivables. For premiums and other receivables, HP's policy is to set up allowances for all receivables over 90 days outstanding.

HP grants credit without collateral to its patients, most of whom are insured under third-party payor arrangements. The mix of gross health service receivables by payor at December 31, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	21%	22%
Medicaid	10	8
Other third-party payors	56	55
Patients	<u>13</u>	<u>15</u>
Total	<u>100%</u>	<u>100%</u>

HEALTHPARTNERS, INC.

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(In thousands)

(5) Property, Plant, and Equipment, Net

A summary of the costs and the related accumulated depreciation at December 31, 2011 and 2010 is as follows

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Cost</u>	<u>Accumulated depreciation</u>
Land and land improvements	\$ 31,282	3,475	25,659	3,389
Buildings and building improvements	619,950	267,578	569,708	239,172
Equipment	508,266	380,715	465,528	340,261
Leasehold improvements	59,236	39,532	55,254	36,359
Construction in progress	12,670	—	3,732	—
	<u>\$ 1,231,404</u>	<u>691,300</u>	<u>1,119,881</u>	<u>619,181</u>
Property, plant, and equipment, net		\$ 540,104		\$ 500,700

(a) Regions Hospital Campus

The majority of Regions' main campus is owned by Ramsey County and leased to Regions. The original lease agreement grants Regions use of the property through December 2066 and requires Regions to (i) provide care to the indigent of Ramsey County throughout the lease term, (ii) pay all taxes, utilities, maintenance, and insurance costs with respect to the property, (iii) use its best efforts to continue providing, and consult with the Ramsey County Board of Commissioners before discontinuing, its major or unique services, including but not limited to, the trauma center, burn unit, graduate medical education, and research services, and (iv) not assign the lease to a for-profit corporation.

The property leased from Ramsey County is included in Regions' net property, plant, and equipment. Under the lease, Regions is required to provide a minimum dollar amount of charity care to Ramsey County residents. In the event the value of charity care does not meet the lease requirement, Regions can fulfill the requirement by making capital improvements to Regions' property. Regions' compliance with the charity care requirement of the lease is based on the value of charity care provided and reduced by Ramsey County's direct cash support, if any.

(b) Construction in Progress

Construction in progress at December 31, 2011 and 2010 represents deposits on equipment purchases and costs incurred in connection with remodeling and building projects. At December 31, 2011 and 2010, there was no capitalizable interest included in construction in progress.

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(6) Goodwill and Other Intangible Assets

(a) Goodwill

HP has a carrying value of goodwill of \$15,960 and \$14,484, respectively, at December 31, 2011 and 2010 related to business acquisitions. HP did not recognize any impairment related to goodwill in 2011 and 2010.

(b) Other Intangible Assets

The following table represents a summary of HP's other intangible assets by major asset class as of December 31, 2011 and 2010.

	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net</u>
2011			
Intellectual property	\$ 100	(21)	79
Brand name	2,786	(228)	2,558
Noncompete clauses	1,600	(769)	831
Total	<u>\$ 4,486</u>	<u>(1,018)</u>	<u>3,468</u>
2010			
Intellectual property	\$ 100	(11)	89
Brand name	234	(17)	217
Noncompete clauses	1,600	(400)	1,200
Total	<u>\$ 1,934</u>	<u>(428)</u>	<u>1,506</u>

Aggregate amortization expense for amortizing other intangible assets was \$590 and \$395 for the years ended December 31, 2011 and 2010, respectively. Estimated amortization expense for the next five years is \$656 in 2012, \$651 in 2013, \$372 in 2014, \$279 in 2015, and \$279 in 2016.

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(In thousands)

(7) Long-Term Debt

Long-term debt at December 31, 2011 and 2010 consisted of

	<u>Interest rate</u>	<u>2011</u>	<u>2010</u>
Health Care Facility Revenue Bonds – Series 2003, payable in semiannual installments through December 1, 2029 (1)	5 25% – 6 00%	\$ 56,970	60,100
Hospital Facility Revenue Bonds – Series 2006, payable in annual installments through 2036 (2)	4 625% – 5 25%	178,457	180,119
Hospital Facility Revenue Bonds – Series 1998, payable in annual installments through 2028 (2)	5 00% – 5 30%	39,081	40,420
Health Care Facility Revenue Note – Series 2006, payable in monthly installments through 2026 (5)	5 39%	2,182	2,275
Regions note payable in monthly installments through January 2011 (3)	3 91%	—	136
Hudson Hospital mortgage revenue bonds Series 2002, payable in semiannual installments through January 2029 (7)	3 00% – 5 70%	22,905	23,605
Lakeview Health mortgage revenue bonds Series 2005, payable in semiannual installments through June 2035 (8)	3 50% – 5 00%	28,160	—
Westfields mortgage bonds payable – Series 1999A and B, payable in monthly installments through 2024 (6)	5 75%	9,345	9,924
HESH loan payable in monthly installments through August 2020 (4)	5 99%	13,956	15,106
Capital lease obligations		<u>24</u>	<u>3</u>
Total long-term debt		351,080	331,688
Less current portion		<u>9,586</u>	<u>8,790</u>
Long-term portion		<u>\$ 341,494</u>	<u>322,898</u>

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Annual principal payments due on the above debt are as follows

Year ending December, 31		
2012	\$	9,586
2013		9,978
2014		10,487
2015		10,993
2016		11,544
Thereafter		298,492
Total	\$	351,080

- 1) *The Health Care Facility Revenue Bonds* – Series 2003 were issued by the Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the City of Minneapolis on behalf of GHI and the Obligated Group, which includes GHI, Regions, HPI, HPAI, and HPIC. The bonds are the sole obligation of GHI and the Obligated Group. The Obligated Group’s gross revenues were pledged toward repayment of the bonds. Financing costs are amortized over the life of the bonds. The debt agreements provide for certain financial covenants and also limit the amount of additional debt that can be incurred.

- 2) *The Hospital Facility Revenue Bonds* – Series 1998 and Series 2006 Hospital Facility Revenue Bonds were issued by the HRA on behalf of Regions. Payment of the principal and interest on the Series 1998 and Series 2006 bonds are the joint obligation of the Obligated Group. The bond proceeds are to be used primarily for hospital facility construction, general facility refurbishing, and equipment acquisition.

The Obligated Group’s gross revenues were pledged toward repayment of the bonds. The debt agreements include covenants enumerating minimum debt service coverage requirements, along with restrictions on the incurrence of additional debt, sales of assets, mergers and consolidations, transactions with affiliates, creation of liens, and certain other matters.

- 3) *Regions Note Payable* – The HRA issued a promissory note on behalf of Regions with a lender. Payment of principal and interest is the sole obligation of Regions. The loan proceeds were used primarily for equipment acquisition.

- 4) *HESH Loan Payable* – HESH entered into a loan arrangement with Prudential Insurance Company of America in connection with the building and equipping of the HealthPartners Specialty Center facility. The loan is secured by the land, all buildings, structures, and improvements located in or on the land and all of the fixtures, and personal property owned by HESH but excluding all personal property owned by any tenant of the property.

- 5) *Health Care Facility Revenue Note* – The Series 2006 Health Care Facility Revenue Note was issued by the City of Maplewood, MN, on behalf of Regions. Payment of the principal and interest is the sole obligation of Regions. The bond proceeds were used primarily for the acquisition, construction, and equipping of the Maplewood Sleep Center.

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- 6) *Westfields Mortgage Bonds Payable* – WH mortgage bonds payable consists of a \$7,000 Hospital Facilities Revenue Note, Series 1999A, and a \$6,990 Hospital Facilities Revenue Note, Series 1999B (collectively, Notes) WH entered into this loan agreement with the Community Development Authority of the City of New Richmond, WI, and the Village of Star Prairie, WI. The Notes are collateralized by land, land improvements, and the building.
- 7) *Hudson Hospital Mortgage Bonds Payable* – Wisconsin Health and Educational Facilities FHA-Insured Mortgage Revenue Bonds, Series 2002 were issued on behalf of HH in the total original amount of \$27,475 in April 2002. Substantially all of the mortgaged property of the hospital campus is pledged as collateral on the FHA Revenue Bonds.
- 8) *Lakeview Health-Health Care Revenue Bonds* – Lakeview Health issued \$30,000 in health care revenue bonds, Series 2005 through the City of Stillwater, Minnesota. The net proceeds from the bonds were used to fund construction of a new clinic in Stillwater, Minnesota and to reimburse Lakeview Health for prior project costs. The bonds are secured by future gross revenues of Lakeview Health.

HP was in compliance with all debt covenants as of December 31, 2011.

The debt agreements also require HP to maintain certain funds in trust accounts. Investments in the trusts are recorded at fair value. Such funds are included in investments, investments whose use is limited and other in the consolidated statements of financial position at December 31, 2011 and 2010, were as follows:

	2011	2010
Funds held by trustee		
Project funds for capital additions	\$ 7,590	7,580
Debt service reserve fund	32,889	33,310
Bond interest and principal fund	2,856	1,988
Total funds held by trustee	43,335	42,878
Less current portion (included in investments)	2,856	1,988
Long-term portion	\$ 40,479	40,890

(8) Leases

(a) Operating Leases

HP leases clinics, office space, and medical equipment under noncancelable operating lease agreements that expire at varying dates with options for renewal. The leases provide for minimum monthly rental payments, plus additional rentals, based on HP's pro rata share of utilities, maintenance, taxes, insurance, and building management expenses.

Total rental expense including operating expenses for all operating leases during 2011 and 2010 was \$34,275 and \$30,961, respectively.

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Minimum future lease payments required under noncancelable equipment and building leases are as follows

Year ending December 31	
2012	\$ 17.014
2013	15.745
2014	14.905
2015	14.304
2016	13.716
Thereafter	61.120
Total	<u>\$ 136.804</u>

HPI is a minority member of Bloomington Central Station, LLC, the owner of the HP campus, and the landlord of HP's corporate headquarters building at 8170 33rd Avenue South, Bloomington, MN. HPI has certain rights under the LLC agreement and the lease agreement.

(9) Asbestos Abatement

ASC 410, *Asset Retirement and Environmental Obligations* (ASC 410), requires companies to accrue for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. Regions recorded asset retirement obligations in accordance with this interpretation for conditional asset retirement obligations related to the removal of asbestos contained within the hospital building. The asset retirement obligation is adjusted each year for any liabilities incurred or settled during the period, accretion expense, and any revisions made to the estimated cash flows. At December 31, 2011 and 2010, Regions recorded an asset retirement obligation of \$4.067 and \$3.624, respectively.

(10) Retirement Plans

HP provides several retirement programs for its various groups of employees.

GHI, HPCMC, PNBC, RHSC, and HPA (The Group) have a noncontributory defined benefit cash balance plan covering their employees age 21 and over with a minimum of one year of service. Contributions to the plan are a function of the years of service, the level of compensation, and an interest rate credit. Plan assets are invested in a fund consisting of common stocks, bonds, and other marketable securities. The plan is funded in accordance with federal law and regulations.

In 2011, the Group offered vested terminated employees of the plan an option to receive a one-time lump sum cash payout. As a result of this option, about 50% of these former employees elected to receive approximately \$39,000 in lump sum payouts. In December 2011, the Group incurred a settlement charge of \$14,932 and is included in the consolidated statements of activities.

Lakeview Health has a defined benefit pension plan covering substantially all of its employees. Pension benefits are based on years of service and the employees' compensation during their highest consecutive five-year compensation period. Lakeview Health funds contribution to the plan based on actuarial computations using the projected unit credit method.

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HP uses a December 31 measurement date for the retirement plans

The Plans' benefit obligation and funded status at December 31, 2011 and 2010, and changes for the years then ended, are as follows

	2011	2010
Change in benefit obligation		
Benefit obligation – beginning of year	\$ 364,543	324,570
Addition of Stillwater Health System	36,665	—
Service cost	19,449	17,086
Interest cost	20,922	19,083
Actuarial loss	30,575	18,945
Benefits paid	(3,370)	(14,100)
Expenses	(1,222)	(1,041)
Plan change	3,193	—
Settlements	(38,949)	—
Benefit obligation – end of year	\$ 431,806	364,543
Change in plan assets		
Fair value of plan assets – beginning of year	\$ 338,648	292,246
Addition of Stillwater Health System	25,646	—
Actual return on plan assets	767	41,543
Employer contributions	56,926	20,000
Benefits paid	(3,370)	(14,100)
Expenses	(1,222)	(1,041)
Settlements	(38,949)	—
Fair value of plan assets – end of year	\$ 378,446	338,648
Funded status		
Funded status – end of year	\$ (53,359)	(25,894)
Unrecognized net actuarial loss	151,159	116,695
Unrecognized prior service cost	5,775	3,386
Prepaid benefit cost	\$ 103,575	94,187
Amount recognized in the statements of financial position consists of		
Noncurrent liabilities – deferred employee benefits	\$ (53,359)	(25,894)
Total amount recognized	\$ (53,359)	(25,894)
Amount recognized in net assets		
Net loss	\$ 151,159	116,695
Net prior service cost	5,775	3,386
Total amount recognized	\$ 156,934	120,081

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(In thousands)

	<u>2011</u>	<u>2010</u>
Weighted average assumptions as of December 31		
Discount rate – The Group	4.75%	5.50%
Discount rate – Lakeview Health	4.50%	–
Expected return on plan assets	8.00	8.25
Rate of compensation increase – The Group	4.25	4.25
Rate of compensation increase – Lakeview Health	5.00	–

(a) Plan Assets

HP has in place an Asset Allocation and Investment Policy Guidelines document that provides general oversight of the Plans' assets. The asset class investment return goals are broken down by the following asset classes: core fixed income, large cap equities, small cap equities and international equities. In addition to the return objectives each asset class has a minimum and maximum range and a targeted asset allocation percentage. In general, investment managers selected are expected to adequately diversify each portfolio in their efforts to maximize risk-adjusted performance. The Plan may use private placements, mutual funds, and commingled/collective funds periodically to gain exposure to certain asset classes.

HP pension plan weighted average asset allocations at December 31, 2011 and 2010 by assets category are as follows:

	<u>Target allocation</u>	<u>2011</u>	<u>2010</u>
Asset category			
Equity securities	75.0%	67.5%	68.9%
Debt securities	25.0	28.4	27.1
All other assets	—	4.1	4.0
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Employer contributions – contributions expected to be paid during measurement year ended December 31		\$ 20,000	20,000

In 2011, HP made cash contributions to the pension plan of \$56,926, which is currently invested in the asset category all other assets. These assets have yet to be allocated and once they have been allocated they will be moved based on our target allocation policy.

HP has classified its investments in the pension plans as collective/commingled funds, mutual funds, common stock (domestic and international), preferred stock, fixed income securities, and money market accounts.

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The following is a description of the valuation methodologies used for pension plan assets held and carried at fair value

The fair value of common stocks is based on quoted prices from national exchanges. Mutual funds prices are derived from the underlying security values and are based on quoted prices from national exchanges and commonly used third-party pricing services. HP obtains one price for each security and mutual fund primarily from a national exchange or third-party pricing service, which generally uses Level 1 and Level 2 inputs for the determination of fair value.

The fair value of collective/commingled funds is determined by the underlying market value of securities held in the funds as determined by the collective/commingled trust fund manager. Where applicable as a practical expedient, the fair values of investments are at the net asset value per share, which is based on the value of the underlying securities owned by HP and divided by the number of shares outstanding. The market value of the underlying securities held is typically based on quoted prices from national exchanges or third-party pricing services. HP's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset.

The fair values of government agencies, mortgage-backed securities and corporate obligations are based on the closing price reported on the active market on which the individual securities are traded.

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The following tables present the level within the fair value hierarchy at which HP's invested assets are measured on a recurring basis at December 31, 2011 and 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2011				
Money market accounts	\$ 25,233	—	—	25,233
Fixed income				
Government agencies	13,121	—	—	13,121
Mortgage-backed securities	—	1,126	—	1,126
Corporate obligations	—	25,764	—	25,764
Common stock				
Consumer discretionary	3,389	—	—	3,389
Consumer staples	508	—	—	508
Energy	1,314	—	—	1,314
Financials	4,615	—	—	4,615
Healthcare	3,609	—	—	3,609
Industrials	5,830	—	—	5,830
Information technology	5,431	—	—	5,431
Materials	1,689	—	—	1,689
Telecommunications	289	—	—	289
Utilities	899	—	—	899
Miscellaneous	71	—	—	71
ADR & US held foreign stock	1,537	—	—	1,537
Preferred stock	31	—	—	31
Mutual funds				
Fixed income funds	67,141	—	—	67,141
Large cap funds	9,681	—	—	9,681
International funds	46,446	—	—	46,446
Commodity funds	8,514	—	—	8,514
Collective/commingled funds	—	152,208	—	152,208
Total investment assets at fair value	\$ <u>199,348</u>	<u>179,098</u>	<u>—</u>	<u>378,446</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2010				
Money market accounts	\$ 13,568	—	—	13,568
Fixed income				
Government agencies	12,463	—	—	12,463
Corporate obligations	—	24,369	—	24,369
Common stock				
Consumer discretionary	3,091	—	—	3,091
Consumer staples	291	—	—	291
Energy	1,814	—	—	1,814
Financials	3,743	—	—	3,743
Healthcare	2,247	—	—	2,247
Industrials	4,957	—	—	4,957
Information technology	5,610	—	—	5,610
Materials	1,104	—	—	1,104
Telecommunications	425	—	—	425
Utilities	646	—	—	646
Miscellaneous	169	—	—	169
ADR & US held foreign stock	1,506	—	—	1,506
Preferred stock	50	—	—	50
Mutual funds				
Fixed income funds	54,895	—	—	54,895
International funds	50,686	—	—	50,686
Commodity funds	9,211	—	—	9,211
Collective/commingled funds	—	147,803	—	147,803
Total investment assets at fair value	\$ 166,476	172,172	—	338,648

HP did not have significant transfers between Levels 1 and 2 during the year ended December 31, 2011

(b) Accumulated Benefit Obligation

Information for pension plans with an accumulated benefit obligation in excess of plan assets is as follows

	<u>2011</u>	<u>2010</u>
Projected benefit obligation	\$ 431,806	364,543
Accumulated benefit obligation	390,425	334,517
Fair value of plan assets	378,446	338,648

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(c) Components of Net Periodic Benefit Cost

	<u>2011</u>	<u>2010</u>
Service cost	\$ 19,449	17,086
Interest cost	20,922	19,083
Expected return on plan assets	(28,916)	(26,632)
Amortization of prior service cost	310	(937)
Recognized actuarial loss	8,147	6,041
Net periodic benefit cost	<u>19,912</u>	<u>14,641</u>
Cost of plan change recognition	501	—
Cost of settlements	14,431	—
Disclosed benefit cost	<u><u>34,844</u></u>	<u><u>14,641</u></u>

(d) Regions Plans

Substantially, all full-time employees of Regions are covered by Regions' defined contribution retirement plan or by the defined benefit plans administered by the Public Employees Retirement Association of the state of Minnesota (PERA)

Regions sponsors a defined contribution retirement plan covering all employees over the age of 21 who have completed one year of eligible service and are not covered by PERA. The plan provides for both a base contribution and a matching contribution funded by the employer based on the employees' participation in a qualifying 403(b) plan. The plan is a qualified plan under IRC Section 401(a) and satisfies the requirements of Section 401(m). Regions' contributions range from 4% to 6% of eligible employees' compensation. Total contributions to the plan were \$9,594 and \$9,748 in 2011 and 2010, respectively.

PERA is a contributory defined benefit retirement plan available to employees hired by Regions prior to September 3, 1986, who may, but are not obligated to, continue PERA participation under provisions of Minnesota Statutes. The PERA plan provides retirement benefits, as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota State Statute and vest after three years of credited services. Contributions by Regions to this plan are based on a percentage of eligible employees' salaries. The contributory percentage is established by PERA. Contributions to PERA were \$474 and \$626 in 2011 and 2010, respectively. Regions' relative actuarial position and relative net assets available for benefits are not determinable.

(e) GHI Plans

GHI sponsors two qualified defined contribution plans under various sections of the IRC, which are the GHI 403(b)(7) Plan and the GHI 401(k) Plan. Employee balances in the GHI 403(b)(7) Plan were frozen, effective July 3, 1996. Eligible employees of GHI can contribute 1.0% to 50.0% of annual compensation up to the maximum dollar limits established by the Internal Revenue Service with GHI.

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matching the participants' contribution up to 7.5% of their salary. GHI made discretionary contributions to the GHI 401(k) Plan, for which GHI, CMGH, RHSC, HPA, and PNBC are participants, of \$21,299 and \$20,160 in 2011 and 2010, respectively.

(f) WH Plans

WH has a defined contribution retirement plan covering substantially all employees who meet the requirement set forth in the plan. The eligible employees can elect to contribute up to \$16 to \$21 (depending on the employee's age) of their annual salary to the plan with WH matching the participants' contributions up to 5% of their salary. Contributions to the plan were \$196 and \$353 in 2011 and 2010, respectively.

(g) HH Plans

HH has a defined contribution retirement plan for all its eligible employees. HH contributes 3% of annual compensation for those plan participants contributing a minimum of 1% of their annual compensation. For those employees attaining 15 or more years of continuous service, HH will contribute between 4% and 8% of the employees' annual compensation assuming the employee contributes an equal percentage. Contributions to the plan were \$549 and \$392 in 2011 and 2010, respectively.

(h) Lakeview Health Plans

LMHA has a defined contribution plan or 401(k) plan covering substantially all employees of LMHA who meet the requirements set forth in the plan. An employee becomes eligible to participate after completing one year of service, accumulating 1,000 hours of service, and attaining age 21. A participant may elect to defer compensation not to exceed a dollar limit, which is set by law. All employee contributions to the 401(k) plan are 100% vested. LMHA will make matching contributions to the 401(k) plan in the amount of 2% of the compensation that is contributed by the employee. Contributions to the 401(k) plan were \$368 for the nine months ended December 31, 2011.

SMG has a defined contribution 401(k) plan covering substantially all employees of SMG who meet the requirements set forth in the plan. A participant may elect to defer compensation not to exceed a dollar limit, which is set by law. All employee contributions to the 401(k) are 100% vested. SMG also has a profit sharing plan, where SMG has the discretion to determine contribution amounts. A participant is eligible after completing 1,000 hours of service and if the participant is employed on the last day of the plan year. Contributions to both the 401(k) plan and the profit sharing plan were \$1,222 for the nine months ended December 31, 2011.

(11) Postretirement Benefits

HP provides two postretirement benefit plans for its various groups of employees.

Regions sponsors a defined benefit plan that provides postretirement medical and dental benefits to substantially all of Regions' employees hired prior to January 1, 1993, and retired by December 31, 2000. The plan is contributory for retirees below age 65 and noncontributory for retirees age 65 and older. In

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1994, the plan was amended to eliminate subsidized coverage after age 65 for participants who retired after July 1, 1994. In 1999, the plan was amended to eliminate coverage for active employees who retired after December 31, 2000.

GHI sponsors a defined benefit plan that provides postretirement medical and dental benefits to GHI employees. As of January 1, 2006, new early retirees (ages 55 to 64) will not be allowed to purchase two single policies. Instead, they must purchase family coverage if they elect coverage for spouse or dependent. As of January 1, 2008, new nonunion early retirees (ages 55 to 64) will pay rates that are based on the actual experience of the early retiree group (i.e., retiree group rates).

HP uses a December 31 measurement date for the postretirement plan.

The following provides a reconciliation of the changes in the plan's benefit obligations and fair value of assets over the years ended December 31, 2011 and 2010, and a statement of funded status as of the same dates.

	<u>2011</u>	<u>2010</u>
Change in benefit obligation		
Benefit obligation – beginning of year	\$ 20,831	20,538
Service cost	497	566
Interest cost	944	1,093
Actuarial gain	(1,754)	(36)
Benefits paid	(1,143)	(1,330)
Benefit obligation – end of year	<u>\$ 19,375</u>	<u>20,831</u>

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	<u>2011</u>	<u>2010</u>
Change in plan assets		
Fair value of plan assets – beginning of year	\$ —	—
Employer contributions	1,143	1,330
Benefits paid	<u>(1,143)</u>	<u>(1,330)</u>
Fair value of plan assets – end of year	\$ —	—
Funded status		
Funded status – end of year	\$ (19,375)	(20,831)
Unrecognized prior year service cost	(849)	(1,602)
Unrecognized net gain	<u>(2,810)</u>	<u>(1,291)</u>
Net amount recognized	\$ <u>(23,034)</u>	<u>(23,724)</u>
Amounts recognized in the statement of financial position consist of		
Current liabilities – salaries and employee benefits payable	\$ (1,292)	(1,433)
Noncurrent liabilities – postretirement benefit obligation	<u>(18,083)</u>	<u>(19,398)</u>
Total amount recognized	\$ <u>(19,375)</u>	<u>(20,831)</u>
Amounts recognized in net assets consist of		
Net gain	\$ (2,810)	(1,291)
Prior service cost	<u>(849)</u>	<u>(1,602)</u>
Total amount required	\$ <u>(3,659)</u>	<u>(2,893)</u>

The components of net periodic benefit cost for the plans for 2011 and 2010 were as follows

	<u>2011</u>	<u>2010</u>
Service cost	\$ 497	566
Interest cost	944	1,093
Amortization of prior year service cost	(753)	(753)
Recognized actuarial loss	<u>(237)</u>	<u>(96)</u>
Net periodic postretirement benefit cost	\$ <u>451</u>	<u>810</u>

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Assumptions and health care trends for 2011 and 2010 were as follows

	<u>2011</u>	<u>2010</u>
Assumed health care cost trends		
Following year	7 – 7.90%	8 – 8.10%
Rate to which the cost trend rate is assumed to decline	5.00% and 4.50%	5.00% and 4.50%
Year that the rate reaches the ultimate trend rate	2020 and 2029	2020 and 2029
Assumptions used to determine benefit obligations		
Discount rate	4.00%	4.50%
Future compensation increase rates	—	—
Assumptions used to determine net periodic benefit costs		
Discount rate	4.50%	5.20%
Expected long-term rate of return	—	—

As an indicator of sensitivity, a 1% increase in the assumed healthcare cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2011, between approximately 7.1% and 9.9% and postretirement healthcare benefit expenses for 2011 between approximately 6.5% and 37.3%. A 1% decrease in the assumed healthcare cost trend rate for each year would decrease the accumulated benefit obligation as of December 31, 2011, between approximately 6.4% and 8.8% and the postretirement healthcare benefit expenses for 2011 between approximately 6.0% and 32.6%.

The following is the expected cash cost to HP for the next 10 years using current healthcare cost assumptions:

Year ending December 31	
2012	\$ 1.303
2013	1.404
2014	1.528
2015	1.628
2016	1.741
2017 – 2021	9.485

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) was signed into law. The provisions of the Act provide for a federal subsidy for plans that provide prescription drug benefits and meet certain qualifications and, alternatively, would allow prescription drug plan sponsors to coordinate with the Medicare benefit. HPI's retirement medical plan is not eligible for the Medicare subsidy under the Act; however, the Region's postretirement plans provide prescription drug coverage for certain Medicare-eligible retirees.

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(12) Deferred Compensation Plan

HP offers certain employees nonqualified deferred compensation plans created in accordance with applicable provisions of the IRC. The plans permit qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of HP (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plans are equal to those of general creditors of HP in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities are reported at fair value.

The liabilities for these plans at December 31, 2011 and 2010, was \$48,569 and \$47,387, respectively, and is included in deferred employee benefits in the consolidated statements of financial position.

(13) Self-Insured Programs

HP has various self-insured programs covering professional liability, workers' compensation, and certain health and dental claims. Provisions for related losses on incurred claims are included as liabilities.

GHI, Regions, WH and HH have professional liability insurance programs providing coverage on a claims-made basis. GHI and Regions has coverages that have a self-insured retention limit of \$5,000 per occurrence in 2011 and 2010. GHI and Regions have purchased insurance policies with excess per claim and annual aggregate limits. GHI's and Regions per claim limits in excess of the self-insured retention limits are \$55,000 in 2011 and 2010. WH and HH have coverages that have a limit of \$1,000 per occurrence and \$3,000 aggregate in 2011 and 2010, respectively. This coverage is purchased through Physicians Insurance Company of Wisconsin, Inc. WH and HH are insured against losses in excess of these amounts through its participation in the mandatory Patients' Compensation Fund of the state of Wisconsin. The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to February 1, 2012.

Lakeview Health's malpractice insurance is a claims made policy. Should this policy lapse and not be replaced with equivalent coverage, claims based upon occurrence during its term, but reported subsequent thereto, would be uninsured.

(14) Related-Party Transactions

During 2011 and 2010, a member of Western Wisconsin Medical Association (WWMA) was a board member of HP. WWMA was paid \$7,715 and \$7,194 for the years ended December 31, 2011 and 2010, respectively, to provide medical services to HPI and GHI's enrolled members.

(15) Provider Tax

The legislature of the state of Minnesota passed a law in 1992 requiring all healthcare providers to pay a tax on healthcare services they provide to patients. The funds collected from this tax help provide health

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insurance coverage to individuals who otherwise could not afford health insurance. In 2011 and 2010, the provider tax was 2% of healthcare services, which is included within health services on the consolidated statements of activities.

(16) Minnesota Comprehensive Health Association

Minnesota Comprehensive Health Association (MCHA) was created as a nonprofit association that provides health insurance to residents of Minnesota who otherwise are unable to obtain coverage in the marketplace. Membership in MCHA is state mandated and composed of all insurers, HMOs, nonprofit health service corporations, and fraternal benefit societies transacting the business of health insurance in Minnesota. Contributing members are assessed amounts to reimburse MCHA for claims expenses in excess of revenues. Each contributing member's assessment is based on the ratio of its health insurance premiums earned to the total contributing members' annual premium revenues in Minnesota.

(17) Medical Care Surcharge

The legislature of the State of Minnesota passed a law in 1992 requiring all healthcare providers to pay a medical care surcharge. The purpose of the surcharge was to maintain the federal matching funds the state receives for the Medicaid program and to improve reimbursement to providers for Medicaid patients.

(18) Premium Tax

The legislature of the State of Minnesota passed legislation in 1992 requiring HMOs to pay 1% tax on premium revenue effective January 1, 1996. The funds collected from this tax help provide health coverage to individuals who otherwise could not afford health insurance. In 2011 and 2010, the premium tax for HMOs was 1% as determined by the State Finance Commissioner based on funds available in the Health Care Access Fund HPIC, a subsidiary of HP, was assessed a 2% premium tax in 2011 and 2010, respectively.

(19) Minnesota Medical Assistance Program

In 2011, HP and other Managed Care Organizations (MCO's) in the State of Minnesota entered into an agreement with the State of Minnesota, acting through its Department of Human Services (the State) to limit contributions to surplus of the MCO's for the Medical Assistance and Minnesota Care programs. Under terms of this agreement the MCO's have agreed to limit contributions to surplus to 1% of the total premium revenue of the Medical Assistance and Minnesota Care programs received from the State. MCO's have agreed to return all contributions to surplus that exceeded 1% of the total premium revenue to the State no later than July 31, 2012. In 2011, HP has recorded a liability related to this agreement in the amount of \$31.561 and is included in accounts payable in the consolidated statements of financial position.

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(20) Minnesota Capitalization Requirements

The legislature of the State of Minnesota enacted a bill (the Bill) relating to HMOs requiring, among other things, that HMOs maintain positive working capital, make certain deposits, and comply with certain net worth requirements. The Bill requires that existing HMOs maintain cash deposits equal to the greater of \$500 or 33% of their uncovered expenses in the preceding calendar year. The term "uncovered expenses" is defined as the costs of healthcare services that are covered by the HMO for which the enrollee would also be liable in the event of the organization's insolvency. The legislature of the state of Minnesota enacted a bill requiring that insurance companies maintain at least \$500 in securities as a guarantee that the obligations to policyholders will be performed. At December 31, 2011 and 2010, the depository requirements were satisfied through statutory deposits with Wells Fargo Bank Minnesota, NA.

The Bill also requires that existing HMOs and Accident and Health Insurance Companies maintain a "total adjusted capital to risk-based capital," defined as total admitted assets less total liabilities at the regulatory action level, which is greater than 150% of the risk-based capital authorized control level. On a consolidated basis, all HP-affiliated HMOs and Accident and Health Insurance Companies are in compliance with the above provisions as of December 31, 2011 and 2010, respectively.

(21) Charity Care, Taxes, and Assessments

In furtherance of its charitable purpose, HP provides a variety of benefits to the community. HP maintains records to identify, measure, and estimate the cost for community service programs.

HP also conducts medical research and provides medical education programs in furtherance of its commitment to improving the health care available to the community.

HP also provides medical care without charge or at reduced cost to low-income community residents, primarily through (a) the services to patients who express a willingness to pay but who are determined to be unable to pay and (b) participation in public program payments (primarily Medicare and Medicaid).

The cost of charity care, community service, medical education, taxes, and assessments for the years ended December 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Cost of charity care	\$ 16,699	25,411
Community service	7,639	5,696
Medical Education	13,385	9,252
Medical care surcharge	14,962	13,896
MCHA assessments	48,493	43,603
Premium tax	30,646	27,776
Provider tax	31,611	31,767
Total cost of charity care, community service medical education, taxes, and assessments	<u>\$ 163,435</u>	<u>157,401</u>

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(22) Net Assets

HP reports net assets based on the existence or absence of donor-imposed restrictions. The expiration of donor restrictions is recorded in the period in which the restrictions expire. Permanently restricted net assets have been restricted by donors to be maintained by HP in perpetuity.

Operating income related to restricted assets is primarily due to contributions revenue, contributions expense, and investment income.

	2011	2010
Unrestricted net assets – beginning balance	\$ 785,732	639,242
Operating income – unrestricted	203,190	135,032
Change in net unrealized gains on investments	(4,605)	7,828
Recognition of change in pension and postretirement funded status	(37,764)	257
Net assets released from restrictions	15,998	3,373
Acquisition of Lakeview Health	117,780	—
Ending balance	\$ 1,080,331	785,732
Temporarily restricted net assets – beginning balance	\$ 13,694	13,752
Operating income – temporarily restricted	16,360	3,315
Acquisition of Lakeview Health	1,257	—
Net assets released from restrictions	(15,998)	(3,373)
Ending balance	\$ 15,313	13,694
Permanently restricted net assets – beginning balance	\$ 674	667
Operating income – permanently restricted	19	7
Ending balance	\$ 693	674
Total beginning net assets	\$ 800,100	653,661
Total ending net assets	1,096,337	800,100
Total operating income	219,569	138,354

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(23) Contingencies

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by healthcare providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services. HP has a corporate compliance plan designed in accordance with federal guidelines. As a part of this plan, HP performs periodic internal reviews of its compliance with laws and regulations, and investigates and attempts to resolve and remedy reported or suspected incidents of material noncompliance with applicable laws, regulations, or policies on a timely basis. Management of HP believes that HP's compliance programs and procedures lead to substantial compliance with current laws and regulations.

HP periodically identifies potential documentation and coding compliance issues. When this occurs, HP follows up with an investigation and, where warranted, initiates disclosure and repayment to the appropriate regulatory authorities. A provision has been made in HP's consolidated financial statements for possible fines, penalties, repayments, or adverse judgments in these matters to the extent the amount is reasonably determinable.

HP is involved in litigation and regulatory investigations and audits arising in the normal course of business. It is management's opinion that these matters will be resolved without material adverse effect on HP's consolidated financial position or results of activities.

(24) Subsequent Events

HP has evaluated subsequent events from the consolidated statements of financial position date through March 29, 2012, the date at which the financial statements were issued, and determined there are no other items to disclose.